PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972

SENATE RESOLUTION 60

EXECUTIVE SESSION HEARINGS

BEFORE THE

SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

OF THE

UNITED STATES SENATE

NINETY-THIRD CONGRESS

FIRST AND SECOND SESSIONS

WATERGATE AND RELATED ACTIVITIES

Supplemental Material on Campaign Practices and Finances

WASHINGTON, D.C., OCTOBER 5, 18, 19, 23, 24, NOVEMBER 12, 19, DECEMBER 4, 1973, AND JANUARY 28, 1974

Book 25



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(Established by S. Res. 60, 93d Congress, 1st Session)

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[Executive session hearings released to the public after the filing of the final report of the Senate Select Committee.]

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Humphrey Campaign

THURSDAY, OCTOBER 18, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 11:05 a.m., in room G-334, Dirksen Senate Office Building.

Present: Donald Sanders, minority counsel; James Leo Elder, Richard O'Hanlon, and Robert Costa, investigators.

Mr. SANDERS. We will go ahead without putting you under oath. Would you state your full name?

STATEMENT OF JACK L. CHESTNUT, ACCOMPANIED BY JOE A. WALTERS AND JOHN A. COCHRANE, COUNSEL

Mr. CHESTNUT. Jack L. Chestnut.

Mr. SANDERS. Your office and business address?

Mr. CHESTNUT. 854 Midland Bank Building, Minneapolis, Minn.

Mr. SANDERS. Your residence address?

Mr. CHESTNUT. 3282 Owasso Heights Road, St. Paul, Minn.

Mr. SANDERS. What is your business association, Mr. Chestnut?

Mr. CHESTNUT. I am the president of a law firm of Chestnut, Brooks & Burkhard in Minneapolis.

Mr. SANDERS. Did you serve as a campaign manager for the Humphrey Presidential campaign in 1972?

Mr. CHESTNUT. Yes; I did.

Mr. SANDERS. Commencing at what time?

Mr. CHESTNUT. January 10, 1972, commencing with Senator Humphrey's announcement.

Mr. SANDERS. What were the circumstances of your acceptance of that position?

Mr. CHESTNUT. I am not sure I know what you mean by circumstances.

Mr. SANDERS. Did Senator Humphrey contact you and ask you to take the position?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Had you previously been of assistance to him in any political way?

Mr. CHESTNUT. Yes. I had worked with Senator Humphrey for many years. I served as an advanceman for him, I would say, maybe

from 1963 on through the 1968 campaign, and I might add that my services were limited strictly to advance work. And I was the Senator's campaign manager in his political campaign for the Senate in Minnesota during 1970.

Mr. SANDERS. Your services in 1970, again, were in what capacity?

Mr. CHESTNUT. I was his campaign manager for his Senate campaign in Minnesota, his U.S. Senate campaign.

Mr. SANDERS. Have you been engaged in the practice of law in Minneapolis since 1963, at least since 1963?

Mr. CHESTNUT. Yes, sir. I graduated from law school in 1959. I served as special assistant to the attorney general in the State of Minnesota, and then as assistant attorney general in the State of Minnesota, and went into law practice in 1963, and I have remained in practice ever since.

Mr. SANDERS. As campaign manager in 1972, were you responsible directly to Senator Humphrey? I will elaborate on that question if you wish.

Mr. CHESTNUT. All right.

Mr. SANDERS. Some of the campaigns I have observed have persons in other roles, such as campaign chairman. Some of them are honorary, some of them are not. I am trying to ascertain just what your relationship was.

Mr. CHESTNUT. In response to your question, there was no chairman that served over me. When you say whether I was responsible directly to the Senator, actually the campaign organization operated somewhat apart from the Senator.

Mr. SANDERS. Would you explain, then, to whom you were, or felt you were, responsible?

Mr. CHESTNUT. Indirectly, to the Senator. Basically, I was in charge of the operation.

Mr. SANDERS. Was there someone in his Senate office that you coordinated with?

Mr. CHESTNUT. No, sir. The Senate office was entirely apart from the campaign.

Mr. SANDERS. You felt that you had considerable discretion and latitude and independent responsibility?

Mr. CHESTNUT. Yes, sir.

Mr. SANDERS. When did you cease your service as campaign manager?

Mr. CHESTNUT. At the time of Senator Humphrey's statement of withdrawal from active seeking of the nomination in Miami. I do not know the exact date. It was about the first or second day of the convention, whatever that date might be, in July of 1972.

Mr. SANDERS. Between January and July, did you serve full time or virtually so?

Mr. CHESTNUT. Virtually full time. I think you have to understand that full time amounted to about 36 hours a day, and there was only 24, and I still had the responsibility to my firm, which I did perform. I had court appearances at that time on cases I was still handling.

Mr. SANDERS. Were you salaried?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you receive any form of remuneration other than, possibly, payment of expenses?

Mr. CHESTNUT. I was reimbursed for any expenses that I incurred on behalf of the campaign.

Mr. SANDERS. Did you serve in any official capacity for any corporations other than perhaps in a legal way?

Mr. CHESTNUT. Do you mean as a director?

Mr. SANDERS. Director or officer of any corporation?

Mr. CHESTNUT. Yes, sir. I am director of the American Loan & Thrift Co., in St. Paul. I am director of the Roseville Bank.

Mr. SANDERS. Is that in Minneapolis?

Mr. CHESTNUT. It is in the village of Roseville, which is a suburb of St. Paul and Minneapolis. It is where I live.

I am director of a corporation called Seaway Services Corp. I may be a director of one or two others, small, closely held corporations, or clients of our law firm.

To the best of my knowledge, in anticipation of your question, none of these corporations made any contributions to the campaign.

Mr. SANDERS. Your principal office, I presume, during the campaign was in Washington, D.C.?

Mr. CHESTNUT. Campaign office?

Mr. SANDERS. Yes, sir. Located where?

Mr. CHESTNUT. Where it was. I guarantee, wherever our office was, that was it. To tell you the exact building, it was the former Bayh campaign headquarters before we got it.

Mr. ELDER. Somewhere on Jefferson Place?

Mr. CHESTNUT. If somebody would help me out. It is one block away from La Provencal.

Mr. ELDER. Near 19th Street and Jefferson Place.

Mr. COCHRANE. That is it.

Mr. CHESTNUT. I do not know the address, honestly.

Mr. SANDERS. As an estimate, what proportion of your time was spent here in Washington, D.C.?

Mr. CHESTNUT. Not very much, actually. I spent most of my time in the various States where we were having primary activity. I would say I probably spent a little more than 25 percent of my time here in Washington, D.C.

Mr. SANDERS. Did you spend any time in an office in Minneapolis, in a campaign office there other than your law office?

Mr. CHESTNUT. To the best of my recollection at the present time, I do not believe we had a campaign office in Minneapolis.

Mr. Sanders. All right, in traveling on behalf of the campaign, did you pay for any of your travel expenses without reimbursement?

Mr. CHESTNUT. Not to my knowledge. Not without reimbursement.

Mr. SANDERS. Did you invoice any of your campaign expenses to your law firm?

Mr. CHESTNUT. It is possible that I may have used one of my business credit cards in an emergency situation for travel, but I am sure in every instance that that was reimbursed by the campaign.

Mr. SANDERS. To your knowledge, no campaign expenses were invoiced to any of the corporations with which you are affiliated?

Mr. CHESTNUT. No, sir, nor any other corporation.

Mr. SANDERS. Who were your deputies in the campaign?

Mr. CHESTNUT. Originally, John Morrison, and after that we had a lot of ego titles that were passed out at various times. Mr. Morrison

mentioned Mr. Maloney. I believe he did have the title of deputy campaign manager at one time. His area was to delegate operations. I really do not know whether Mr. Pinkney was ever designated as a deputy campaign manager. He certainly did not serve in that capacity.

Mr. SANDERS. Was the person in charge of media designated as a deputy campaign manager?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Who was?

Mr. CHESTNUT. That is a good question. Our press secretary at various times changed. Our press secretary was a man by the name of Dan Hackler. At the time of the California campaign, he was no longer the press secretary. And I think, without title, a gentleman by the name of Walt Warple worked in his capacity. They were not deputy campaign managers.

Mr. SANDERS. Did you regard Gene Wyman as the principal fundraiser for the Humphrey campaign?

Mr. CHESTNUT. Yes, certainly at the beginning.

Mr. SANDERS. I assume that sometime later some other person succeeded him?

Mr. CHESTNUT. Not succeeded. I would only qualify it because Mr. Joseph Cole did receive the title of finance chairman.

I would say Mr. Wyman was our principal fundraiser.

Mr. SANDERS. But, aside from Cole's title, was he in fact—did he in fact become essentially the principal fundraiser?

Mr. CHESTNUT. Yes, sir, he operated out of Washington, as Mr. Wyman did.

Mr. SANDERS. Did you personally make solicitations for contributions?

Mr. CHESTNUT. I may have on rare occasions, but it was not my principal responsibility. I think almost anybody involved with a political campaign at one time or another makes a solicitation, if that is what you want to call it.

Mr. SANDERS. Were any contributions of $1,000 or more handed to you personally?

Mr. CHESTNUT. By the donor?

Mr. SANDERS. By the donor or an intermediary of the donor?

Mr. CHESTNUT. The reason I am hesitating, Mr. Sanders, is that there were times, for example, when Mr. Wyman would come in from California when Mr. Thatcher was not there. He might give me some checks for other people in the fundraising operation. They might give them to me until such time I could pass them on to Mr. Thatcher or somebody who would make the deposits.

It is possible an individual donor, from time to time during the campaign, on a very infrequent basis, made the contribution direct to me. In every instance, I passed those on to the proper people for deposit.

Mr. SANDERS. Can you now state the name of any donors of $1,000 or more that made their contribution directly to you?

Mr. CHESTNUT. Not to my recollection. I cannot think of anybody at the present time. I am not saying there was not such a person. I just do not recall. If there was, it was a very infrequent thing.

Mr. SANDERS. Did you personally receive any contributions of $1,000 or more in cash?

Mr. CHESTNUT. I do not believe so.

Mr. SANDERS. Do you know of any other campaign personnel who received donations of $1,000 or more in cash?

Mr. CHESTNUT. Not of my personal knowledge. I have been advised of the circumstance that there was such a contribution; I do not know the details. I am referring to the Loeb situation, where apparently there was $2,000. I do not know of that personally, but I am aware that that is the case.

Mr. SANDERS. I do have a general understanding of the Loeb contribution. We are going to get into that.

Do you know of any others?

Mr. CHESTNUT. No.

Mr. SANDERS. Did any donors to the campaign of $1,000 or more, to your recollection, ask for anonymity?

Mr. CHESTNUT. Not to my knowledge.

Mr. SANDERS. Do you know of any contribution of $1,000 or more, wherein the donation was made by means of a third or straw party, so the true identity of the donor was protected?

Mr. CHESTNUT. Nothing other than the apparent situation in the Loeb matter, and I do not have personal knowledge of that.

Mr. SANDERS. Aside from the Loeb matter, I do not want to limit my question or your answer to those of your personal knowledge, but any you might have learned of.

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Were you involved in the solicitation or delivery of the funds from John Loeb?

Mr. CHESTNUT. I would not say I was involved in either the solicitation or the delivery.

Mr. SANDERS. Were you involved with the contact with Mr. Loeb, in making the arrangements?

Mr. CHESTNUT. Why do you not ask me if I was involved in the transaction? I will tell you what I know.

Mr. SANDERS. Would you please explain your knowledge of the transaction?

Mr. CHESTNUT. I was asked by Senator Humphrey to explain the financial condition of the campaign to Mr. Loeb. This was in New York, in the apartment. I explained the transaction to Mr. Loeb, the financial condition of the campaign, which was desperate at the time. As Mr. Morrison indicated, that was not a unique circumstance in the campaign. Mr. Loeb—we were in another room, out of the hearing of people in the adjacent room—he advised that he would arrange for $50,000.

Either Mr. Thatcher or I, I do not recall which, instructed Mr. Solomonsen, who is known to Mr. Loeb, to go to New York the following day to pick up the funds. I never saw the contribution. I was aware that it came in, that we received $50,000. I did not know in what form.

Mr. SANDERS. Who set up the appointment between Mr. Loeb and Senator Humphrey?

Mr. CHESTNUT. I do not know.

Mr. SANDERS. Was it you?

Mr. CHESTNUT. No.

Mr. SANDERS. What was the first notice or knowledge you had that such an appointment had been made——

Mr. CHESTNUT. That the appointment had been made?

Mr. SANDERS. Yes.

Mr. CHESTNUT. I believe that day the Senator advised me that we were going to have a drink with John Loeb in the afternoon.

Mr. SANDERS. When this was made known to you, were you already in New York?

Mr. CHESTNUT. Yes; I was with the Senator.

Mr. SANDERS. My question is directed to learning whether you were in Washington at the time, and traveled to New York for that purpose.

Mr. CHESTNUT. No; it is possible he told me on the plane on the way up.

Mr. SANDERS. Is that the only reason why the Senator went to New York on that day?

Mr. CHESTNUT. No; we were campaigning there.

Mr. SANDERS. For this record, this was in early May of 1972, is that correct?

Mr. CHESTNUT. Whatever the date is, I do not recall the date specifically. I recall seeing references to May 11 or 12. Whenever it was.

Mr. SANDERS. It was Senator Humphrey that personally told you that there was an appointment to see John Loeb?

Mr. CHESTNUT. I believe so, yes. I believe he said that he was seeing John Loeb. The appointment was not for me to see Mr. Loeb.

Mr. SANDERS. I understand that. Where was it the meeting occurred?

Mr. CHESTNUT. It was in an apartment. I believe in the Waldorf. I am not sure whether it is the Waldorf-Astoria or the Waldorf Hotel, or an apartment hotel or not.

Mr. SANDERS. Was it in Loeb's quarters?

Mr. CHESTNUT. No.

Mr. SANDERS. Senator Humphrey's quarters?

Mr. CHESTNUT. No.

Mr. SANDERS. Whose quarters? Do you know?

Mr. CHESTNUT. I do not have personal knowledge of whose quarters it was. I believe that Mr. Elder asked the question. I think he was advised that it was Mr. Andreas'. I do not have any personal knowledge of who it was.

Mr. SANDERS. Were you and Senator Humphrey the only ones that went to those quarters to meet with him?

Mr. CHESTNUT. No.

Mr. SANDERS. Who went with you?

Mr. CHESTNUT. Everybody who was in the car. We all went there.

Mr. SANDERS. Where had you been?

Mr. CHESTNUT. We had attended a luncheon. I do not know where it was.

Mr. SANDERS. A campaign function?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Do you recall the identities of any of the persons that went to the room in the Waldorf-Astoria?

Mr. CHESTNUT. Mr. Bruce Solomonsen was there. I believe we had the Secret Service with us at the time. Yes, we did. Whatever agents that were on duty were there. And Mr. Max Kampelman was there.

Mr. SANDERS. Did Mr. Loeb have any associates with him?

Mr. CHESTNUT. I do not believe so. I did not meet any of them, if there were.

Mr. SANDERS. As best as you can recall, would you explain the sequence of events after you arrived in these quarters?

Mr. CHESTNUT. Mr. Solomonsen and I went into one of the back-rooms, and started making some telephone calls, I do not know what time Mr. Loeb arrived. I was not there.

The Senator called me out and asked me to explain the financial condition of the campaign to Mr. Loeb, which I did.

Mr. SANDERS. Mr. Loeb was not present when your party arrived?

Mr. CHESTNUT. That is correct.

Mr. SANDERS. Inasmuch as you and Solomonsen went to another room, I assume, then, that Senator Humphrey and Mr. Kampelman were together in another location in the suite?

Mr. CHESTNUT. I do not know what Mr. Kampelman did. I really do not. I left the group and I had a number of phone calls I had to make.

Mr. SANDERS. When Senator Humphrey asked you to come out and explain the campaign finances to Mr. Loeb, was Mr. Kampelman——

Mr. CHESTNUT. Not the finances, the financial condition.

Mr. SANDERS. The financial condition. Was Mr. Kampelman present in the room at that time?

Mr. CHESTNUT. I do not believe so, but I cannot be sure of that. As I recall, there were a number of rooms in the suite. In a political campaign, wherever you land, everybody makes a mad dash for every available telephone. And I really do not know where Max was.

Mr. SANDERS. What did you state to Mr. Loeb about the financial condition?

Mr. CHESTNUT. I told him that we were in desperate straits for funds, that if we were going to be able to continue in the campaign, we were not to have pledges, but an immediate donation.

Mr. SANDERS. Did you state to him a specific need, a specfic sum?

Mr. CHESTNUT. A general need, not a specific sum.

Mr. SANDERS. What was the general need that you stated?

Mr. CHESTNUT. The desperate need in the campaign for funds.

Mr. SANDERS. Did you tie it into any particular primary?

Mr. CHESTNUT. I do not believe so.

Mr. SANDERS. Did it appear to you——

Mr. CHESTNUT. It may have been in relationship with the California primary, because of the time. I do not recall.

Mr. SANDERS. Did it appear to you then that Senator Humphrey had already conferred with Loeb?

Mr. CHESTNUT. Yes.

Mr. SANDERS. You do not recall whether Kampelman was present when you made this explanation to Loeb?

Mr. CHESTNUT. No; I do not.

Mr. WALTERS. You mean, is present in the room, or part of——

Mr. SANDERS. Present in the room.

Mr. CHESTNUT. No; as a matter of fact, when I had my conversation with Loeb, I think we stepped into another room.

Mr. SANDERS. Do you think that the explanation you gave him was not in the presence of Senator Humphrey?

Mr. CHESTNUT. I do not think that it was even in the presence of Senator Humphrey.

Mr. SANDERS. Did Loeb, at that point, tell you what he would contribute?

Mr. CHESTNUT. Yes; he did.

Mr. SANDERS. How much?

Mr. CHESTNUT. He said he would arrange for $50,000 to be picked up tomorrow.

Mr. SANDERS. Was it indicated to you by him that he had already stated this sum to Senator Humphrey?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. He said that he would contribute $50,000?

Mr. CHESTNUT. That he would arrange for $50,000.

Mr. SANDERS. Arrange for $50,000.

Mr. CHESTNUT. That is right.

Mr. SANDERS. To be donated to the Humphrey campaign?

Mr. CHESTNUT. Right.

Mr. SANDERS. Did you discuss with him the arrangement or the means by which it would be transmitted?

Mr. CHESTNUT. No, just that I would arrange for somebody to pick it up.

Mr. SANDERS. Did you discuss with him the identity of the committees to be used as recipients?

Mr. CHESTNUT. No, I did not.

Mr. SANDERS. Did either of you mention that any of the contribution would be in the form of cash?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you discuss with him how he would acquire the $50,000?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did he make any mention to you of how he would accumulate the $50,000?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you have any reason to think that he would serve as a solicitor to accumulate this $50,000?

Mr. CHESTNUT. I had no idea of how he was going to accumulate it.

Mr. SANDERS. After your conversation with Mr. Loeb, did you, in the suite, then have a conversation with Senator Humphrey?

Mr. CHESTNUT. I left immediately back to the telephone in the backroom.

Mr. SANDERS. Did you explain to Senator Humphrey the extent of Loeb's commitment?

Mr. CHESTNUT. I am sure I did later on in the day.

Mr. SANDERS. You think, not in the suite at that time?

Mr. CHESTNUT. No; I believe I went immediately to the phone, and we departed there, and kept the remainder of our campaign schedule that day.

Mr. SANDERS. What action, if any, did you take after the conversation with Loeb to arrange for receiving the contribution?

Mr. CHESTNUT. I believe I advised Mr. Thatcher that Mr. Loeb was giving $50,000, and we needed to pick it up the following day in his office in New York. I do not recall whether it was Thatcher or myself that directed Solomonsen to pick up the funds. It was one of the two of us.

Mr. SANDERS. Of course, Solomonsen was there with you?

Mr. CHESTNUT. Yes, sir.

Mr. SANDERS. Did you leave New York that day?
Mr. CHESTNUT. Yes.
Mr. SANDERS. Where did you go?
Mr. CHESTNUT. Washington.
Mr. SANDERS. Solomonsen returned with you?
Mr. CHESTNUT. Yes.
Mr. SANDERS. Did you have any further discussion with Mr. Loeb about the contribution?
Mr. CHESTNUT. No.
Mr. SANDERS. Do you have any knowledge of any other contributions made by Mr. Loeb to the Humphrey campaign?
Mr. CHESTNUT. During 1972?
Mr. SANDERS. Yes.
Mr. CHESTNUT. No.
Mr. SANDERS. Did you, after that day, have any other conversations with Thatcher about the Loeb contribution?
Mr. CHESTNUT. Would you restate the question?
Mr. SANDERS. Did you, after that day, have any further conversations with Thatcher about a Loeb contribution?
Mr. CHESTNUT. Yes.
Mr. SANDERS. Would you explain that, please?
Mr. CHESTNUT. I do not believe I had any conversations with Thatcher after that day, or the following day, this type of thing. But subsequently, there were problems that came up involving that Loeb transaction. We did discuss it. We have both given statements, as you are well aware, to the FBI.
Mr. SANDERS. I am asking you if you had any such discussions with Thatcher before the time that the corrections were made by GAO?
Mr. CHESTNUT. No.
Mr. SANDERS. Before the time that the corrections were made by GAO, did you learn that the contribution was in the form of a number of checks from his employees?
Mr. CHESTNUT. I was advised by telephone conversation. I am not sure who it was, whether it was Thatcher or somebody else, when I was in California, that there was a problem with the Loeb contribution, that there would probably be an unfavorable story in the next day's paper. That was the first knowledge that I had that there was anything wrong with the transaction.
Mr. SANDERS. Before that call, you did not know that Loeb's contribution was in the form of a number of checks from employees?
Mr. CHESTNUT. I did not know in what form it was.
Mr. SANDERS. Before that time, you had not known that part of it was in cash?
Mr. CHESTNUT. No, sir. I do not believe I knew at that time that part of it was in cash.
Mr. WALTERS. When you say, "that time", what time do you mean?
Mr. CHESTNUT. At the time that I received the telephone call. I assumed that is where your reference pointed.
Mr. SANDERS. Did you, at some time, learn that $2,000 of the Loeb contribution was in cash?
Mr. CHESTNUT. I have been advised of that. I have no personal knowledge of it.

Mr. SANDERS. Do you know in any way, of what use was made of the $2,000?

Mr. CHESTNUT. No, I do not.

Mr. SANDERS. Or how it was deposited?

Mr. CHESTNUT. I have no knowledge of the transaction.

Mr. SANDERS. You have no knowledge that that $2,000 was taken to California for use in the primary?

Mr. CHESTNUT. That is news to me right now.

Mr. SANDERS. I would assume that, as campaign manager, you were quite cognizant, at least in general, of the provisions of the new election law that went in effect on April 7, 1972?

Mr. CHESTNUT. I would say I was generally cognizant of it, yes.

Mr. SANDERS. Were you, on or about April 7, aware that there was a provision in the new law that campaigns were required to report the true identity of donors to the campaign?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Do you have any grounds, do you know of any reason to think that any employee of the Humphrey campaign, on or about the time that the Loeb contribution was made, was aware that Mr. Loeb was the true donor of the entire sum?

Mr. CHESTNUT. I have no reason to believe that.

Mr. SANDERS. Before 1972, had you solicited or received funds from Mr. Loeb for Senator Humphrey?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Are you aware of contributions that he made to Senator Humphrey before 1972?

Mr. CHESTNUT. I have no personal knowledge of it. I was advised that he was a previous donor.

Mr. SANDERS. Did you have a role in the funds which were made available to the Humphrey campaign by means of notes signed by Walter Duncan?

Mr. CHESTNUT. What was the first part of your question? I think I want to answer it, I do not believe so; I am not sure.

Mr. SANDERS. Did you have any part in procuring the funds that were made available?

Mr. CHESTNUT. No, sir. My only contact with the situation, as I explained to Mr. Elder, was when I was in Wisconsin for the Wisconsin primary. I received a call from somebody in Senator Hartke's staff, I do not know who it was, that they were aware of a potentially large political contributor to Humphrey's campaign. I gave them Mr. Dogle's office in Philadelphia. I believe that call resulted in various Duncan contributions, but I had no further contact.

Mr. SANDERS. Why would you make the reference to Dogle?

Mr. CHESTNUT. Dogle was one of our fundraising people.

Mr. SANDERS. Why not to Cole?

Mr. CHESTNUT. I do not know whether Cole was there at the time in that capacity. This would have been probably in March.

Mr. SANDERS. Did you eventually sign as a guarantor on the Duncan note?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you have any part in arranging for the five guarantors?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you have any discussions with Walter Duncan about providing funds to the campaign?

Mr. CHESTNUT. No, I never had any discussion with Walter Duncan.

Mr. SANDERS. Would you explain the policy of the Humphrey campaign with regard to the establishment of committees which would serve as recipients of funds so as to permit donors of large funds to avoid the gift tax?

Mr. CHESTNUT. I do not know of any committees that were set up specifically for that purpose. We did have multiple committees. I did not set up the committees; these committees were set up under the jurisdiction of the treasurer.

Mr. SANDERS. Understanding that they might have been set up under the treasurer, were you not consulted about the overall policy of the campaign?

Mr. CHESTNUT. It was an overall policy to try to fund basically everything through one operation, to try to facilitate reporting and everything else. This just broke down, and we were not able to accomplish it for a number of reasons. A lot of people in various States would not cooperate.

Mr. SANDERS. It is my understanding that there was a sum of $25,000 on hand as of April 7, 1972, which was not included in the opening balance for reporting to the GAO. Are you familiar with this circumstance?

Mr. CHESTNUT. No, I am not. I did not have anything to do with the primary reports.

Mr. SANDERS. Do you know what depositories were used by the campaign before April 7, 1972?

Mr. CHESTNUT. There were several banks in Washington, I do not know which ones.

Mr. SANDERS. Can you recall the names of any of them?

Mr. CHESTNUT. I recall the name D.C. National, why, I do not know. I must have had some transactions with them.

Mr. SANDERS. Were any Minneapolis banks used as depositories?

Mr. CHESTNUT. That is possible.

Mr. SANDERS. Do you know the identities of any?

Mr. CHESTNUT. I really could not be sure. I spent almost all of the January, February, and March period employed in the Florida primary, Mr. Thatcher could give you more information. I am not sure where he had depositories during that period of time.

Mr. SANDERS. Do you know whether the campaign utilized any financial institution's safe-deposit boxes?

Mr. CHESTNUT. To my knowledge, we never had a safe-deposit box or a safe.

Mr. SANDERS. Could you give me some conception of the financial condition of the campaign as of January 1972?

Mr. CHESTNUT. The best word to describe the financial condition of that campaign from inception to end was desperate. I do recall when we took the plane from Washington to Philadelphia, there was the announcement that we only had about $4,000 or $5,000.

Mr. SANDERS. January 10?

Mr. CHESTNUT. January 10.

Mr. SANDERS. Do you think, if you struck a balance sheet about that time, that would have been the net worth?

Mr. CHESTNUT. We were very nervous about how fast contributions would come in to insure that we would not be embarrassed during the early portion of the Florida campaign, being able to conduct the travel, so to speak.

Mr. SANDERS. What was the first committee that constituted the campaign?

Mr. CHESTNUT. I think it was the committee for the renomination.

Mr. SANDERS. Before January 10, 1972, to your knowledge, were there in existence any political committees operating on behalf of Senator Humphrey?

Mr. CHESTNUT. It is possible that there were. The decision for Humphrey to run was made about—near the weekend, somewhere between December 28 and January 2. We had a meeting before the announcement date, and the time and all that was determined. Just exactly what the committee's status and structure and this type of thing was during that period of time I am not certain.

Mr. SANDERS. Are you aware of any infusion of any funds in the 1972 campaign from funds carried over from the campaigns of prior years?

Mr. CHESTNUT. I am unaware totally of any. I never even questioned that there were funds from 1968, for example. In fact, the 1968 campaign had a deficit, as far as I know.

Mr. SANDERS. Who was the campaign manager in 1968?

Mr. CHESTNUT. I really do not know. I believe there may have been more than one.

Mr. SANDERS. You did serve as an advanceman?

Mr. CHESTNUT. I was an advanceman.

Mr. SANDERS. Who were you working for?

Mr. CHESTNUT. That position also changed. They had various people on the advance staff. In 1968, there was a Morton McNamara who was in charge at one time; then, any time you called there was basically a different person. They would call you and ask you if you could make a particular trip, you would say yes or no, and somebody would be assigned to the desk on that particular trip, and you would talk to a different person each time.

Mr. SANDERS. No one had overall charge of the media in that campaign?

Mr. CHESTNUT. No.

Mr. SANDERS. You perhaps have seen the recent allegation made on a contribution to the Humphrey effort in 1968 by Howard Hughes. Do you have any knowledge concerning this?

Mr. CHESTNUT. I saw the Jack Anderson story. I have no knowledge on this situation.

Mr. SANDERS. Do you have any recollection of an employee of the 1968 campaign by the name of Ravnholt?

Mr. CHESTNUT. Eiler Ravnholt?

Mr. SANDERS. Frankly, I do not know. Is that his first name?

Mr. CHESTNUT. There is an Eiler Ravnholt. I do not know whether he was an employee of the 1968 campaign or not.

Mr. SANDERS. Did you have knowledge that he was active in the 1968 campaign effort on the part of Senator Humphrey?

Mr. CHESTNUT. I believe he's been active in all of Senator Humphrey's campaigns. I don't know what responsibility he had in any.

Mr. SANDERS. Are you personally acquainted with him?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Did he work for Senator Humphrey in the 1972 campaign?

Mr. CHESTNUT. He was a volunteer in the area of delegate operations.

Mr. SANDERS. Would he have worked under Maloney then?

Mr. CHESTNUT. Yes.

Mr. SANDERS. I have asked this—I apologize. Did you say who he worked for in the 1968 campaign?

Mr. CHESTNUT. I do not know. I do not even know if he worked in it.

Mr. WALTERS. I thought, Mr. Sanders, that the whole scope of this inquiry of the committee here was the 1972 campaign.

Mr. SANDERS. The only relationship is the carryover of funds.

Mr. COCHRANE. If we can answer your questions we will.

Mr. SANDERS. Would you explain the circumstances concerning the removal of the campaign records from Washington to Minneapolis and what happened to the records on arrival?

Mr. CHESTNUT. Well, I am assuming you are talking about that after the campaign—after Senator Humphrey had made his announcement that he was no longer seeking——

Mr. SANDERS. There is a predicate. Let me make sure the record is clear here. Was there a time when all of the Humphrey campaign records were transported from Washington, D.C. to Minneapolis?

Mr. CHESTNUT. No.

Mr. SANDERS. Was there a time when a great proportion of the records were transported to Minneapolis?

Mr. CHESTNUT. There was a time when some of them were. What proportion I have no idea. I'm a little uncertain as to what you mean by records.

Mr. SANDERS. I am interested primarily in financial records, but there were some records that are kind of in a gray area—correspondence, memorandums, that kind of thing.

All right. Let us start with the basic question. Were any records transported from Washington, D.C., to Minneapolis in bulk?

Mr. CHESTNUT. Yes, sir.

Mr. SANDERS. When?

Mr. CHESTNUT. Sometime in—probably July or August of 1972.

Mr. SANDERS. Why were they sent from Washington to Minneapolis?

Mr. CHESTNUT. In most instances because people who had them did not know what the hell to do with them, so they sent them to me. In some instances, my secretary, and office supervisor Jennifer Broome took materials and files that we had in the general office and put them in boxes and brought them to Minneapolis and put them in my law office. There were also things that were sent to me—sent to my law office, I should say, from Miami. There was no official pronouncement to send all materials to Chestnut in Minneapolis, believe me.

Mr. SANDERS. Were any records sent to anyone else when the campaign offices closed?

Mr. CHESTNUT. There may very well have been. There was none at my direction, because I tried to explain to Mr. Elder, when the Humphrey campaign broke up, after his announcement, it was like a tribe abandoning a desert camp. There was no organized plan as to what was going on.

Mr. COCHRANE. Off the record.

[Discussion off the record.]

Mr. CHESTNUT. Counsel has advised me also that we had to vacate the offices, or we had to continue paying the rent. We did not have funds to pay the rent. We tried to get out of there as rapidly as we could.

Mr. SANDERS. Do you today have, to your knowledge, any records of the campaign from the period before April 7, 1972?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Do you know of anyone else that has any records for that period?

Mr. CHESTNUT. Maybe I was under the mistaken understanding that some of these had been turned over to the GAO.

Mr. COSTA. I didn't hear the question.

Mr. SANDERS. Do you know of anybody else that had the—any records for that period?

Mr. COSTA. To help you out a little bit, as far as I know, the only ones were post April 7 records that were given to GAO.

Mr. SANDERS. Do you know of anybody who worked in the campaign, who worked before April 7, 1972, who has any records?

Mr. CHESTNUT. If Mr. Thatcher or GAO doesn't have any, I really would not know of anybody that would.

Mr. SANDERS. What happened to all the campaign records for the period before April 7, 1972?

Mr. CHESTNUT. I can only say on personal knowledge of those things that I either have possession of or were transferred to my law office. Those materials were subsequently thrown away.

Mr. COSTA. May I interject?

Mr. SANDERS. Yes.

Mr. COSTA. Do you know who compiled the records for the GAO audit?

Mr. CHESTNUT. I thought it was O'Connor's office, and Fellows.

Mr. COSTA. Do you think Fellows might know about pre-April 7 records?

Mr. CHESTNUT. To the extent that any were turned over. Besides that, he would not have any knowledge.

Mr. COSTA. All right.

Mr. SANDERS. I think I had asked you, too, what happened to the pre-April 7 records. What was your answer?

Mr. CHESTNUT. The ones that were in my possession were thrown away.

Mr. SANDERS. Would you explain how this was accomplished?

Mr. CHESTNUT. Surely. When I got back to my law office, and into practice, I found an office that was congested, cluttered, that had boxes and file problems, not only because of the campaign materials. I wouldn't dignify a lot of this material by calling it records. It was excess literature, and various forms of position papers.

It was a hodgepodge of materials. We had hired a computer and bookkeepers and things to maintain our information and try to comply with the existing law. I sought independent legal advice as to whether we were under any requirement to maintain any of these materials. I explained that to Mr. Elder.

I don't know if you recall the lawyer or not. I made his name available. I was advised that I had no legal responsibility, as far as

maintaining these materials, and in the process of cleaning out our law office—and I might add, that during this period of time, substantial portions of our legal files were stripped and thrown away as well, to make space for our existing law business, and in anticipated trial of a major antitrust lawsuit, where we expected many, many documents. I tried to get additional space in the building, got all that we could, and that was it. I might say that they were disposed of with law office materials over a period of several months.

Mr. SANDERS. Some of the campaigns went to the extent of renting storage space. Did you give it any consideration?

Mr. CHESTNUT. No, I did not. We did not have the money. We had a debt at that time that was substantial.

Mr. SANDERS. In what period of time, after the convention, were these records received from Washington in your Minneapolis office?

Mr. CHESTNUT. I think everything I got, I had by September 1.

Mr. SANDERS. During what period of time were the pre-April 7 records destroyed?

Mr. CHESTNUT. Pre and post materials that were thrown away—I can remember brochures that we had prepared for the convention that were thrown away—that was post-April 7.

To this effect, I would say, somewhere from the first of September through a several month period of time. I don't remember any particular cutoff.

Mr. SANDERS. Can you give some concept to the volume of records that were received from Washington, D.C.?

Mr. CHESTNUT. I suppose I had somewhere between 10 and 15 boxes of various kinds of materials.

Mr. SANDERS. Did you yourself engage in looking at these files?

Mr. CHESTNUT. I looked casually into every box, primarily to make sure that there were not, for example, uncashed checks or something of this nature, and threw them in a wastebasket. They were disposed of however the bank disposes of paper.

Mr. SANDERS. Did anyone in your office——

Mr. BURKHARD. Perhaps you better explain "bank." You are in the bank building?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Did anyone in your office assist in housekeeping—cleaning these files and throwing them away?

Mr. CHESTNUT. Not with any of the campaign materials. I looked at those. As far as our other law office materials were concerned, at times we had the entire secretarial force in the evening going through files.

Mr. SANDERS. So any pre-April 7 records transferred from Washington, D.C., to Minneapolis, which were then thrown away, would have been thrown away by you, personally?

Mr. CHESTNUT. That is right.

Mr. SANDERS. Do you have a recollection of throwing away any financial ledgers?

Mr. CHESTNUT. I do not believe I had any ledgers. I do not recall seeing any ledgers.

Mr. SANDERS. Do you recall throwing away any records of receipts of contributions?

Mr. CHESTNUT. You are referring to things like "thank you letters," this type of thing?

Mr. SANDERS. I am referring to any record that would have evidence of receipt of a contribution. A thank you letter would be one form.

Mr. CHESTNUT. I do believe there were thank you letters in there.

Mr. SANDERS. Was there any form of a 3 by 5 card system for the recording of large donors?

Mr. CHESTNUT. There very well could have been, but it would have been for all donors, not just for certain ones.

Mr. SANDERS. Do you still have some record of the identities of pre-April 7 donors?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. The identities of donors is sort of a working tool for campaigns. I am just wondering if this might have, somehow, been retained for future use?

Mr. CHESTNUT. It was not retained by me. I have no intention of ever being involved in a future campaign.

Mr. SANDERS. If you did not keep it, would you have any idea who might have it?

Mr. CHESTNUT. As I say, I am sure—I, by no means had all these materials. Other people may very well—I have no personal knowledge of anybody who retained this information.

Mr. SANDERS. Do you recall throwing away any evidence of campaign contributions, other than copies of thank you notes?

Mr. CHESTNUT. I am not sure what would constitute evidence. There were some bank statements that were thrown away. Whether or not they would have information on them that would show evidence of a contribution, I could not say.

Mr. SANDERS. Do you recall, before April 7, whether the campaign used a journal system of recording receipts and expenditures?

Mr. CHESTNUT. I really do not know.

Mr. SANDERS. Do you recall seeing any documents of that nature in the material that you threw away?

Mr. CHESTNUT. I never saw anything of that nature, no.

Mr. SANDERS. Do you recall throwing away any evidence of disbursments?

Mr. CHESTNUT. No paid invoices.

Mr. SANDERS. Any ledger sheets?

Mr. CHESTNUT. No, sir.

[Discussion off the record.]

Mr. SANDERS. Did you consult with Senator Humphrey on the pros and cons of maintaining or destroying records?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you have any conferences with any other campaign officials?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did it appear to you that Thatcher had financial records for the period before April 7, apart from what was sent to you?

Mr. CHESTNUT. I assume he did.

Mr. SANDERS. You assume that he did? Was that your answer?

Mr. CHESTNUT. That was my answer. I would have no personal knowledge of what he had.

Mr. SANDERS. You worked for campaigns for many years, and cleaning out 10 or 15 boxes here, you might get some concept of whether it looked like you had the entire financial records there or not.

Mr. CHESTNUT. Pardon?

Mr. SANDERS. You might get some concept of whether you have the entire financial records?

Mr. CHESTNUT. It has also been my experience in campaigns, that after the campaign is over you get rid of the junk.

Mr. SANDERS. What I am asking you is, in going through 10 or 15 boxes, whether or not you have any recollection of seeing any journals?

Mr. CHESTNUT. I did not see any journals.

Mr. SANDERS. Going through these boxes, did you arrive at any view, now with hindsight, as to whether you had all the financial records in those 10 or 15 boxes?

Mr. CHESTNUT. I do not believe I did.

Mr. SANDERS. I am talking about pre-April 7, now.

Mr. CHESTNUT. Yes; I understand.

Mr. SANDERS. It was Jennifer Broome who brought the records?

Mr. CHESTNUT. She brought whatever material she could lay her hands on.

Mr. SANDERS. Off the record.

[Discussion off the record.]

Mr. CHESTNUT. As I indicated, there were other materials that were shipped—say from Florida—that would show, say, a guy would drive back and had a box of material, would not know what to do with it, so he would leave it up in my law office.

Mr. SANDERS. Was it your understanding that she brought everything that was then remaining in the campaign office?

Mr. CHESTNUT. Not by any means, because there were people who were raiding the campaign office for their own use of whatever purpose they might make of them.

Mr. SANDERS. There is a slight conflict in what you have been saying here. I want to try to resolve it.

Mr. CHESTNUT. I am sorry if there is a conflict.

Mr. SANDERS. Just a few answers ago you said she brought everything she could lay her hands on.

Mr. CHESTNUT. That is right.

Mr. SANDERS. My question is, at the time that she departed the Washington, D.C., office to transport records to Minneapolis, did she bring everything that was then remaining in the Washington office?

Mr. CHESTNUT. No; I would say probably not.

Mr. SANDERS. How did she decide what to take and what to leave?

Mr. CHESTNUT. I just think that she took the material that had some meaning to my office. When I say, she did not bring everything, we had a second floor that had political operations files in it. People were reading that junk all the time. We had books that were prepared on the various States, to tell you what cities, who is mayor, and this type of thing. Most of that material, I think, was taken by those people in the campaign.

Mr. SANDERS. Does Jennifer Broome work for you now?

Mr. CHESTNUT. No.

Mr. SANDERS. Has she ever, in your business?

Mr. CHESTNUT. Not in my business; no. She works for the Upper Great Lakes Pilots, Inc., in Duluth, Minn. I am counsel for the Upper Great Lakes Pilots and I helped her get that job.

Mr. SANDERS. Did she work for you in the campaign?

Mr. CHESTNUT. Yes.

Mr. SANDERS. What capacity?

Mr. CHESTNUT. She started as my secretary. She was general cook and bottle washer in that office.

Mr. SANDERS. At that time—just before the time that you mentioned—what capacity was she serving?

Mr. CHESTNUT. She was still serving as my secretary. Also the people around the office looked to her in a lot of areas consisting of the journal, the deposits, and preparation of the reports.

Mr. SANDERS. Did you give her any instruction and direction in bringing the records to Minneapolis?

Mr. CHESTNUT. I do not believe I gave her any specific instructions. I did not tell her to close the office, and in addition to transferring the records, she transported some of the equipment and supplies, and these things that we were able to sell, and reimburse the campaign for, to pay off some of our debts, maybe $1,000. I'm sure that is all.

Mr. SANDERS. Can you give us any understanding of how she would arrive at a decision to take the records to your Minneapolis office?

Mr. CHESTNUT. How she would arrive at a decision?

Mr. SANDERS. You said you did not tell her to do that. Somebody else had told her? Did she do this on her own initiative?

Mr. CHESTNUT. I think she did it on her own initiative. She felt that some of these were personal files, correspondence files, and things of this nature.

Mr. SANDERS. She did not have any responsibility in the finance office, did she?

Mr. CHESTNUT. Well, yes, I would say she did. She made the deposits. She had an authorization to sign checks up to a certain amount. She assisted in the preparation of the reports. I would say that she had responsibility. She's a very competent, capable girl.

Mr. SANDERS. What I am trying to arrive at, in collecting the records, and taking them to Minneapolis, some other finance official, such as Thatcher, might have said, "Take these, too. Include these in what you are transporting to Minneapolis."

Mr. CHESTNUT. I—it is possible, I have no specific knowledge about any instructions that Paul might have given her.

[Discussion off the record.]

Mr. CHESTNUT. Mr. Cochrane pointed out to me that we tried to put all our material on the computer. Once it was on the computer, it did not appear to be important to maintain those records, because we had a memory bank that we were operating.

Mr. SANDERS. Did this computer system predate April 7?

Mr. CHESTNUT. I am not sure that it did. It may have.

[Discussion off the record.]

Mr. CHESTNUT. In trying to comply with the April 7 law, we hired an accounting firm and a computer organization. Their instructions were to establish procedures to put us in compliance, as far as I know they were trying to carry out those instructions.

Mr. SANDERS. That system was directed toward compliance to the new law that went into effect on April 7?

Mr. CHESTNUT. I am not so sure that we did not try to put it in effect prior to that time. Whether we accomplished that objective or not, I really do not know.

[Discussion off the record.]

Mr. CHESTNUT. There may very well have been a number of records that were thrown away in the Washington office, I just have no knowledge. I can tell you that I went up to the campaign office one day in between going from Florida to Minneapolis; there was just chaos.

Mr. SANDERS. Was it Paul Thatcher who had that responsibility for setting up a computer program?

Mr. CHESTNUT. Yes; I would say it was. Paul was our treasurer to the extent that it was set up—he was responsible for it. I am sure that he took advice from professionals.

Mr. SANDERS. Do you know what firm provided this service?

Mr. CHESTNUT. I really do not know, but I am sure that he would.

Mr. SANDERS. Was it a Minneapolis firm?

Mr. CHESTNUT. I do not believe so.

Mr. ELDER. May I suggest—was it Baltimore? Some firm in Baltimore?

Mr. CHESTNUT. I really do not know; I am sure it was not Minneapolis, it was on the east coast some place.

[Discussion off the record.]

Mr. SANDERS. Did you have any discussion with Jennifer Broome about what records, if any, were left in the Washington office?

Mr. CHESTNUT. Left? When?

Mr. SANDERS. After she transported records to your office, did you have any discussion with her about any records that might have remained in the Washington office?

Mr. CHESTNUT. There were no records, to my knowledge, that were left in the Washington office. We abandoned that in a period of 10 or 15 days. We had to get out of there; they had a tenant.

Mr. SANDERS. I think the record will show that a question I asked you not very long ago indicated that she did not bring everything, which was at that point, existent in the Washington office. You are confusing me.

Mr. CHESTNUT. I am sorry, I am not trying to confuse you; it was a confusing period. There were other people who took records and materials.

Mr. SANDERS. I am aware of that.

Mr. CHESTNUT. I am trying to indicate to you that she did not by any means take all of the materials—clerical and paper materials—out of the Washington office. The Washington office really ceased to function. The only material that she retained were unpaid bills and things of this nature; and anything that we were required to keep, as far as the post-April 7 law is concerned.

Most of that material, as far as I know, subsequently or eventually was turned over to the O'Conner law firm and has been given to the GAO.

Mr. SANDERS. I want to restate a question which I probably asked before, but because of all that has gone on before and after, I think we need to clarify it. I am talking about the day that she left Washington to transport 10 or 15 boxes to your office in Minneapolis.

Mr. CHESTNUT. All right.

Mr. SANDERS. To your knowledge, when she left the office on that day, was there anything in the way of records left behind in that office?

Mr. CHESTNUT. Not to my knowledge.

Mr. SANDERS. I think the record will show that you answered to the contrary before.

Mr. CHESTNUT. If I did, then the record should be corrected. I believe that the time that she left was sometime in August, that she came up here, and I think the office was closed at that particular point in time.

Mr. SANDERS. To the best of your knowledge, on that particular day that she left to go to Minneapolis, she brought everything that was then remaining in the office?

Mr. CHESTNUT. Everything there was, in her possession, that she had, I am sure that she brought with her at that time.

Mr. SANDERS. You are qualifying it with a term "in her possession"?

Mr. CHESTNUT. It was in her office or her possession. I think there were some things that she had that were outside the physical location of that office, at that particular time.

Mr. SANDERS. What we are going to have to get down to here, is the physical setup in that office.

Mr. COCHRANE. Off the record.

[Discussion off the record.]

Mr. CHESTNUT. Let me see if I can clear it up for you. I think I know what you are driving at. I am not trying to confuse the situation. In the first place, there were two floors in this campaign office. Every office on those floors had material of some nature in it—correspondence or records of some particular kind—the finance office was operated on both ends of one particular floor. Jennifer Broome operated in the front area, primarily where my office was located.

At the time that we were in Florida, the campaign office in Washington was still open. There was maybe a skeleton crew of volunteers. I would come in during that period of time; when we came back from Florida, which was a day or two after the nomination, we had a plane where everybody came back at one time trying to save expenses. The office, when I went into it, was already a shambles. I went back that particular evening, or the next morning, I am a little uncertain, Jennifer remained in Washington. I said: "Try to put this in as much order as you can. Get the equipment so it is not stolen," because I knew it had some value, and we wanted to be able to sell that. "Get that together and get it locked up." And she did that. I said: "Make sure that my personal materials and my personal files are not stolen," and she did that.

How she made her selection as to whatever materials she put in boxes and eventually transported to Minnesota—I think it came up on more than one occasion. She might have made two trips, I am not sure; I think she covered that with you, Mr. Elder.

Mr. ELDER. Yes.

Mr. CHESTNUT. I know that there were people coming in and taking materials, presumably for use in future campaigns, as you yourself suggested. I do not know of any records that were formally left in that office for any specific purpose because that office had really ceased to exist.

And she took what she had that was located in the presence of my office, brought it to Minneapolis, those were the materials that I had, plus some materials that were shipped to me from Miami and in a couple of instances, I think people who worked in the campaign

brought boxes, mostly junk because they did not know what to do with it. I believe some materials went to Senator Humphrey's office in the Senate.

Mr. SANDERS. What happened to the formal financial records for the period before April 7, 1972?

Mr. CHESTNUT. Other than the materials that were in my office, I do not know.

Mr. SANDERS. Did you, at any time, receive any indication from Jennifer Broome, or anybody else, that she packed up the financial records of the committee and brought them to Minneapolis?

Mr. CHESTNUT. That she packed up some of them, but no indication that she had physically obtained all of the particular records of the committee and brought them to Minneapolis.

Mr. SANDERS. We are back to the question then that it would appear to you, I presume then that there were pre-April 7 financial records which did not come to your office in Minneapolis?

Mr. CHESTNUT. Yes, sir.

Mr. SANDERS. I may have asked this before, I just have forgotten the answer; do you today have any files, whatsoever, for the period before April 7—personal correspondence even?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Did you keep any post-April 7 correspondence files?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. You mentioned before records going to Senator Humphrey's office; was it more in the nature of speculation? Do you know if any records went to his own office?

Mr. CHESTNUT. I believe some of the political information did go to his office.

Mr. SANDERS. Have you had any conversations with Paul Thatcher concerning pre-April 7 financial records?

Mr. CHESTNUT. He asked me if I had any and I told him no.

Mr. ELDER. Were two sets of books operated? One set of books for financial records, used prior to April 7, and a new set of books opened after April 7? Or were there a set of books used both pre- and post-April 7?

Mr. CHESTNUT. I do not know.

Mr. ELDER. If we knew that answer——

Mr. CHESTNUT. Mr. Thatcher could tell you.

Mr. ELDER. Generally a set of books just goes on ledgers and journals and will just continue on even though a law was passed April 7. In all probability, the same set of books would have been used, unless they decided to open up a new set of books.

Mr. CHESTNUT. You will have to ask Mr. Thatcher that question. I really do not know.

Mr. ELDER. The records Miss Broome brought to your office, she brought them in on more than one occasion, did she not?

Mr. CHESTNUT. I believe that is the case. I was not really primarily concerned or responsible for the records, I was politically oriented in trying to put together an organization to put together a political campaign. I might say that most of it was kind of a bitter experience. I really had no desire to have it go on as sort of an ongoing operation.

Mr. ELDER. Do you have any idea how long it was between the two trips that Miss Broome made?

Mr. CHESTNUT. A relatively short period of time, probably not within a week.

Mr. ELDER. It would be probably——

Mr. CHESTNUT. Two or three weeks.

Mr. ELDER. Was anybody in charge of the office or control of the office while she was transporting?

Mr. CHESTNUT. It was a collapsed function.

Mr. ELDER. Basically, after the convention, she was the young lady who cleared the records, cleared the office, and closed it down, I take it?

Mr. CHESTNUT. I believe she turned over the key.

Mr. ELDER. Turned over keys?

Mr. CHESTNUT. Yes.

Mr. ELDER. Did someone help her to load up the truck or the U-Haul van?

Mr. CHESTNUT. I am sure that she had someone to help her to do that.

Mr. ELDER. I would not think that she could do it by herself. But basically she was the one responsible for removing the records and whatever was left in the office and the junk she left there and they cleaned it up and threw it out?

Mr. CHESTNUT. I recall seeing a huge trash barrel just piled full of stuff.

Mr. ELDER. You had no discussion with anybody about destroying records prior to the clearing out of the office?

Mr. CHESTNUT. I never had any discussion with anybody about destroying records, other than talking to Mr. French about the materials I had, and the responsibility I had in maintaining them.

Mr. ELDER. The financial records were really under the control of Mr. Thatcher—and the treasurer, I take it?

Mr. CHESTNUT. I would say that that is basically correct; yes. I do not believe Mr. Thatcher returned to Washington for some time.

Mr. SANDERS. You mean from the convention?

Mr. CHESTNUT. Yes.

Mr. SANDERS. He had enough and went back to Minneapolis?

Mr. CHESTNUT. I think that we had all had enough. You know, we had been working for many many weeks for tremendous amounts of hours a day, right through the strain and pressure and the tremendous fatigue at that particular period of time, then the release, everybody had a real letdown. Nobody wanted to talk about the campaign or do anything about it. But just to escape from it, as I said it was a bitter experience and something that I would not care to do again.

Mr. ELDER. The records you did maintain, those were the records that were returned to Washington to Pat O'Connor's office, is that correct?

Mr. CHESTNUT. Anything that I felt there was some responsibility to maintain under the law, those were turned over.

Mr. ELDER. Was an inventory made of the records that were turned over to Mr. O'Connor's office?

Mr. CHESTNUT. I do not know, I did not maintain any.

Mr. ELDER. No further questions.

Mr. COSTA. Are you aware of any contributions made by Stanley Goldbloom?

Mr. CHESTNUT. I was not at the time that it was made. Subsequent to the problems with the funding, I became aware of the fact that he had contributed.

Mr. COSTA. Are you aware of how much was contributed by Mr. Goldbloom?

Mr. CHESTNUT. No.

Mr. COSTA. Or who solicited his contribution?

Mr. CHESTNUT. I do not know.

Mr. COSTA. Were they all pre-April 7?

Mr. CHESTNUT. I do not know.

Mr. COSTA. Was it pre-April 7?

Mr. CHESTNUT. I do not know, I had been advised that he made a contribution.

Mr. COSTA. I see. Would you know who might have knowledge of that contribution?

Mr. CHESTNUT. I presume Mr. Thatcher.

Mr. COSTA. All right.

Mr. SANDERS. Have you, at any time after the Loeb contribution, discussed with Senator Humphrey the Loeb contribution?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Do you have any knowledge concerning any effort that was made by any Humphrey campaign people to encourage Mr. Loeb to plead guilty so as to prevent as many facts as possible from becoming public?

Mr. CHESTNUT. No, sir.

Mr. SANDERS. Would you please explain to us the circumstances of your knowledge of, or involvement in, the $57,000 loan?

Mr. CHESTNUT. Well, first so all, I think most of my knowledge of it is set forth in an affidavit that I prepared for the GAO. I gave Mr. Elder a copy of it.

Mr. SANDERS. I have a copy.

Mr. CHESTNUT. In substance, I was aware that Mr. Thatcher had arranged for a loan. I do not know the circumstances of it. I believe it was on a Friday as was indicated. We had to have somebody transport it to Washington, D.C., and arrange for my law partner, Mr. Burkhard, to pick up the money. He was not involved in the transaction in any way. He brought it to Washington and gave it to Mr. Morrison. It is my understanding that the funds were necessary because of the NSF check situation. People did not want another check, they wanted cash. And, in addition to that as my affidavit indicated, I subsequently received about $7,200 which I took to California to use in the California campaign. That information has all been documented and the expenditures reported to the GAO as set forth in the affidavit.

Mr. SANDERS. Do you know who was the promissor on the note?

Mr. CHESTNUT. No, I do not.

Mr. ELDER. It has not been asked, Mr. Chestnut, but do you have any knowledge of any unions donating funds?

Mr. SANDERS. Before you get into that, I am not finished with this $57,000 transaction.

Mr. ELDER. All right.

Mr. SANDERS. Do you think it was Thatcher who arranged for that loan to be made?

Mr. CHESTNUT. Yes.

Mr. SANDERS. You were notified by the bank that the proceeds were ready to be picked up?

Mr. CHESTNUT. No, I was notified by Thatcher.

Mr. SANDERS. By Thatcher?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Then you asked Burkhard to transport the funds?

Mr. CHESTNUT. The bank is just about a block from our office. As I recall the circumstances, I think the banks in Washington were closed because of the time difference, and we needed to—we did not have time to wire-transfer it down—our offices, as I say, are about a block away, Mr. Burkhard was able to pick it up and catch, I think, the 5:50 or 6 o'clock plane out of Minneapolis to Washington.

Mr. SANDERS. Do you know whether the bank was given any written security for this money?

Mr. CHESTNUT. No, I do not.

Mr. SANDERS. Do you have reason to believe that they were not?

Mr. CHESTNUT. I have no reason to believe anything. I have no knowledge of the transaction.

Mr. SANDERS. Mr. Burkhard then transported the cash to Washington, D.C.?

Mr. CHESTNUT. Yes.

Mr. SANDERS. At the time that you talked to Thatcher about the money to be procured from the Minneapolis bank, were you told that it was for covering obligations for checks for which funds were insufficient?

Mr. CHESTNUT. Yes.

Mr. SANDERS. Was any total sum of money stated to you to be needed in West Virginia?

Mr. CHESTNUT. I do not believe that he knew the extent of the problem.

Mr. SANDERS. Did you, at that time, at the time of your conversation with Thatcher, at the time that the money was obtained at the Minneapolis bank, did you know that you were going to take cash to California?

Mr. CHESTNUT. I do not believe so.

Mr. SANDERS. How did you come into possession of this cash which you eventually took to California?

Mr. CHESTNUT. I believe Mr. Thatcher gave it to me.

Mr. SANDERS. Do you know whether the $7,000 which you took to California was from the proceeds from that $57,000 loan?

Mr. CHESTNUT. It was my understanding that it was.

Mr. SANDERS. How did you gain that understanding?

Mr. CHESTNUT. I believe that I was told that by Thatcher.

Mr. SANDERS. Do you know what disposition was made of the money that was not needed for West Virginia or California?

Mr. CHESTNUT. I have no personal knowledge. It is my understanding that it was subsequently deposited. I was not in Washington.

Mr. SANDERS. There was a report that was issued by GAO last Friday concerning the failure of the Humphrey campaign to duly report receipts and expenditures of each of about $475,000. I believe you are aware of the report?

Mr. CHESTNUT. I am aware of the report. I have not read the report.

Mr. SANDERS. Do you have knowledge as to whether your expenditures in California, that $7,000—off the record.

[Discussion off the record.]

Mr. SANDERS. I will begin the question again. Do you know whether the $7,000 which you spent in California in cash constituted a portion of the unreported funds contained in the report by GAO?

Mr. CHESTNUT. They should not have, because I turned in all the receipts and documentation on it.

Mr. SANDERS. To the best of your knowledge?

Mr. CHESTNUT. To the best of my knowledge, it was reported.

Mr. SANDERS. Duly reported?

Mr. CHESTNUT. Yes.

Mr. COSTA. That $7,200 that you took to California, did you deposit that into an account?

Mr. CHESTNUT. No, sir.

Mr. COSTA. You did not?

Mr. CHESTNUT. Why do you not ask me why?

Mr. COSTA. Why?

Mr. CHESTNUT. Because the organization that I was doing business with there would not accept our checks. I had to pay cash. I had to go around and pay the hotels on a daily basis because they were throwing the people out, and I could not have that kind of story taking place in the California primary.

Mr. COSTA. None of the proceeds of the $7,200 was put into an account?

Mr. CHESTNUT. No, sir, not in California. It was all expended as I indicated.

Mr. COSTA. Did you have an account in California?

Mr. CHESTNUT. Yes, sir.

Mr. COSTA. The nature of that account—was that a personal account or committee account?

Mr. CHESTNUT. No, it was a committee account and that was reported.

Mr. COSTA. Do you recall offhand the general size of that account?

Mr. CHESTNUT. It would not have exceeded $10,000, because the two deposits were two checks of $5,000 apiece, as I recall, which were also reported.

Mr. COSTA. No other funds were reported?

Mr. CHESTNUT. No, sir, not to my knowledge.

Mr. COSTA. All right.

Mr. CHESTNUT. That again was used to maintain day-to-day operations. I think that is the only account I opened during the entire campaign.

Mr. SANDERS. Do you have any questions?

Mr. O'HANLON. Not along that line, but I would like to clear up one or two items.

Did you have the so-called gift tax committee? Did you have some before April 7? Did you have some after April 7?

Mr. CHESTNUT. The use of the words "gift tax committee" are yours, not mine.

Mr. O'HANLON. Yes.

Mr. CHESTNUT. We had a number of different committees; I cannot tell you how many or what their names were. The treasurers set up these committees.

Mr. O'HANLON. You had some before April 7 and some after?

Mr. CHESTNUT. I am sure we did.

Mr. O'HANLON. In raising funds, did your people make use of a direct mail campaign in any fashion?

Mr. CHESTNUT. Yes, we did have some mailings that went out, not as successful as the McGovern people, apparently.

Mr. O'HANLON. It was quite extensive?

Mr. CHESTNUT. I do not know if I would call it extensive, but I suppose we had several hundred thousand mailings in an attempt to acquire contributions.

Mr. O'HANLON. The other question I have, do you have any suggestions, as far as any comments regarding public financing or any change in financing of campaigns?

Mr. CHESTNUT. I do not think there are any that I would care to make for the record. I might make some to you privately.

Mr. ELDER. Did you receive any contributions from local unions? I think your answer was with regard to corporations, we did not hit the unions.

Mr. CHESTNUT. We received funds from time to time from union operations. To my knowledge they were all legal types of donations as I understand it. They have certain committees on political education or something of this nature. We received that type of thing. I know of no illegal union contributions that we received.

Mr. ELDER. Do you have any knowledge of receiving any funds from any foreign nationalist or any foreign funds for the campaign?

Mr. CHESTNUT. I have no knowledge.

Mr. ELDER. No knowledge?

Mr. CHESTNUT. No knowledge.

Mr. SANDERS. What is your understanding of the identity of the person who was the largest single contributor to the Humphrey campaign.

Mr. CHESTNUT. I am advised that is Mr. Duncan. I do not have personal knowledge of that. I think it is also of record that the Andreas family was a substantial contributor, which one gave more, I really do not know.

Mr. SANDERS. To try to simplify it as much as possible, do you have knowledge of the identities of the persons who contributed $100,000 or more to the Humphrey campaign?

Mr. CHESTNUT. A $100,000 or more?

Mr. SANDERS. Yes.

Mr. CHESTNUT. You are including contributions and loans?

Mr. SANDERS. Yes.

Mr. CHESTNUT. I believe Mr. Rikles.

Mr. SANDERS. Would you say his full name?

Mr. CHESTNUT. I don't know his first name. I think we provided, or somebody provided the committee or the GAO with these names, am I correct on that?

Mr. COSTA. What's this? I received information on the Rikles contribution. Could I ask a question—in respect to Mr. Rikles, did he make both a contribution and a loan?

Mr. CHESTNUT. I do not know. I know of a loan, I am not sure whether he made a contribution in addition to that or not. Or whether he subsequently forgave part of the the loan and had it reported as a contribution, I do not know.

Mr. SANDERS. You were going to tell us of contributions of $100,000 or more?

Mr. CHESTNUT. I am trying to recall. I would be speculating to some extent, I am not absolutely sure. I am pretty sure that the Rikles and the Andreas family and Duncan, beyond that——

Mr. SANDERS. Would you include Mr. Cole on that?

Mr. CHESTNUT. Mr. Cole, definitely.

Mr. SANDERS. Any others, that you can recall?

Mr. CHESTNUT. None that I can be sure of. Our reports must indicate some of this.

Mr. SANDERS. Your reports are post-April 7. I am talking about the whole campaign.

Mr. CHESTNUT. Those are definitely the four major contributors to the campaign. I am sure—is there somebody else that comes up? Over $100,000 I could not be sure. I would be willing to say that there is nobody else whose contribution exceeded that, to my knowledge.

Mr. SANDERS. Do you know of any pre-April 7 contributions by Mr. Rikles?

Mr. CHESTNUT. I have no personal knowledge.

Mr. SANDERS. Do you have hearsay knowledge?

Mr. CHESTNUT. No.

Mr. SANDERS. Did the Humphrey campaign make a full disclosure by April 7 of contributors?

Mr. CHESTNUT. I would have to say no.

Mr. SANDERS. How would you describe any limitations on that?

Mr. CHESTNUT. I do not know whether you recall the specific events, but the press was making quite a number of stories out of contributions, sometime—I do not know whether it was March, February—and asking the various candidates to voluntarily make disclosures, and the campaign did make such a disclosure, but it was a hastily put together thing, and I am sure there are inaccuracies and omissions. It was put out in the form of a press release during the Florida primary. I could not subscribe to the accuracy of that. I am sure it is primarily accurate, but there were committees in different States, sometimes you would get cooperation from them, sometimes you wouldn't.

Even after the April 7 law they were not cooperating in many instances. Before that, many times they just told us to go jump in a lake.

Mr. SANDERS. The voter primary was the second or third week in March?

Mr. CHESTNUT. I believe it was about the middle of March, sometime in there.

Mr. SANDERS. I believe your disclosure was up to March 7, or something?

Mr. CHESTNUT. I do not know.

Mr. SANDERS. The point I want to make is there was then—you had another month before the April 7 date, after which all the disclosures were made?

Mr. CHESTNUT. Very possibly.

Mr. SANDERS. To your knowledge was any disclosure made for that approximate 1 month period?

Mr. CHESTNUT. Not to my knowledge.

Mr. SANDERS. Did you have conferences or any discussions about why the disclosure would be made for that period?

Mr. CHESTNUT. I do not recall—it seemed that after we made the one disclosure, as far as the press was concerned, the pressure was basically off.

Mr. SANDERS. Did that one disclosure purport to include all contributors, or was there a bottom limit?

Mr. CHESTNUT. A disclaimer?

Mr. SANDERS. Were there 1,000, over 500, or was it all contributors? What is your understanding of the qualifications of that disclosure?

Mr. CHESTNUT. I do not recall. I think it was an attempt to disclose all, but I am not sure of that.

Whatever it was, it was—I do not recall whether there was any attempt to bottom it out, say at $100, or $10, or something.

Mr. ELDER. Who was primarily responsible for this press release?

Mr. CHESTNUT. A combination of efforts of both myself and a number of other clerical people, in attempts to get—try to get information from other committees, including some that Wyman had in California, and it was put together in a matter of like 2 to 3 days.

It had been our position by that time that these contributions had not been in a period of time where contributions were required to be disclosed, and as a consequence, they were made at least in the belief by the donor, in many instances, that his name would not be disclosed.

We attempted to get authorizations, I know, to disclose—we disclosed what we could during that period of time.

Mr. SANDERS. Did that disclosure, to your knowledge, withhold the identities of any of the contributors who had asked for anonymity?

Mr. CHESTNUT. No, not to my knowledge.

Mr. SANDERS. Do you have any knowledge of any bookkeeping system that was used to protect the identity of persons that desired anonymity in making these contributions?

Mr. CHESTNUT. No.

Mr. SANDERS. Do you have any other questions?

Mr. ELDER. No.

Mr. COCHRANE. No.

Mr. WALTERS. Could we put it on the record that Mr. Chestnut, like Mr. Morrison, is also appearing here pursuant to a subpena?

Mr. SANDERS. Yes, that is correct.

Mr. WALTERS. And we can make arrangements for a copy of this transcript also.

Mr. SANDERS. Yes.

Mr. COCHRANE. Have you concluded?

Mr. SANDERS. Yes.

Mr. COCHRANE. May I thank you gentlemen—may I ask a very simple question, as a country lawyer? If we decide to send a bill for our transport to whom do we send it?

Mr. SANDERS. I would like to have Mr. Chestnut—I did not realize Mr. Morrison was leaving—they should sign the voucher right now.

[Whereupon, at 1:05 p.m., the interview in the above-entitled matter was adjourned.]

THURSDAY, OCTOBER 18, 1973

U. S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 9:40 a.m. in room G–334, Dirksen Senate Office Building.

Present: Donald Sanders, deputy minority counsel; James Leo Elder, Richard O'Hanlon, and Robert Costa, investigators.

Mr. COCHRANE. For the record, I would like to make a rule 30 request for a transcript when and if it is available. I understand there is some question whether we get it when it is made public. I am making a request on the record for a copy.

Mr. SANDERS. Inasmuch as Mr. Morrison is not being sworn in, this will not, then, theoretically be an executive session.

Mr. Cochrane, the committee, if it were in executive session, Mr. Chestnut theoretically would not be permitted to be here and you would not be entitled to a transcript. Since he is not being sworn in, I think we might be able to look at it as not being an executive session. If he wishes to request a transcript, I think he might be entitled to have one, understanding that you would be paying for it.

Mr. COCHRANE. I understand.

Also, we are here pursuant to a subpena by agreement.

Mr. SANDERS. If you do not want to go to the expense of buying a transcript, you would be welcome to come in here and examine ours and make any corrections.

Mr. COCHRANE. I am a country lawyer, as the saying goes.

Mr. SANDERS. I would like the record to show that Mr. Morrison is here pursuant to a subpena issued by this committee, and that the primary purpose of our calling him in here is to question him about the operations of the Humphrey campaign committees in the 1972 Presidential campaign, and more particularly, campaign finances.

You are John Morrison?

STATEMENT OF JOHN MORRISON, ACCOMPANIED BY JOE A. WALTERS AND JOHN A. COCHRANE

Mr. MORRISON. Yes.

Mr. SANDERS. Would you state your office and home address, please?

Mr. MORRISON. 801 Tonkawa Road, Long Lake, Minn., that is my home; 840 Schillard Plaza, Minneapolis, Minn., that is my office.

Mr. SANDERS. What is your business, Mr. Morrison?

Mr. MORRISON. We are in the manufacture and sale of recreational vehicles.

Mr. SANDERS. What is the name of that firm?

Mr. MORRISON. Eldorado International, Inc.

Mr. SANDERS. What is your position with the firm?

Mr. MORRISON. Chairman of the board.

Mr. SANDERS. Did you serve in an active capacity with the Humphrey campaign in 1972?

Mr. MORRISON. Yes, I did.

Mr. SANDERS. In what capacity?

Mr. MORRISON. I was one of the deputy campaign managers.

Mr. SANDERS. How did you come to be associated with the campaign? Were you asked to by some particular person, or did you walk in and volunteer your services? How did this occur?

Mr. MORRISON. I volunteered my services.

Mr. SANDERS. To whom?

Mr. MORRISON. Mr. Chestnut.

Mr. SANDERS. Was he a personal acquaintance of yours at the time?

Mr. MORRISON. He was.

Mr. SANDERS. At what point in time did you become actively associated with the campaign?

Mr. MORRISON. I would guess that it would be early January of 1972, maybe late December, but early January.

Mr. SANDERS. Were you personally acquainted with Senator Humphrey?

Mr. MORRISON. Not really, no.

Mr. SANDERS. At the time when you joined the campaign, was Mr. Chestnut already the campaign manager?

Mr. MORRISON. I do not remember if he was campaign manager at that time, or right in that period of time. Yes.

Mr. SANDERS. Beginning in January of 1972, did you spend full time on campaign activities?

Mr. MORRISON. No.

Mr. SANDERS. To what extent did you devote your time?

Mr. MORRISON. I guess it is hard for me to determine exactly how much time, but I was in and out of the campaign quite a bit. To pick a number off the top of my head, I would guess 30 percent.

Mr. SANDERS. Until what time did you continue to serve in an active capacity with the campaign?

Mr. MORRISON. As I said before, I was in and out. I would be gone for several days at a time, and I would come back and spend a few days, and I would be gone again. This continued during the—throughout the campaign.

Toward the end, I would say from the Michigan and Maryland campaign, I was much less active.

Mr. SANDERS. For the record, when did Senator Humphrey discontinue his effort to seek the nomination?

Mr. MORRISON. I presume at the convention.

Mr. SANDERS. Up until convention time?

Mr. MORRISON. Right.

Mr. SANDERS. Up to that point, you did remain in some active capacity?

Mr. MORRISON. Right.

Mr. SANDERS. Did you perform any functions for the campaign after the convention?

Mr. MORRISON. No.

Mr. SANDERS. You completely withdrew your services after that point?

Mr. MORRISON. Right.

Mr. SANDERS. How would you describe your responsibilities as deputy campaign manager?

Mr. MORRISON. I was involved in helping arrange contracts with travel agencies and airlines, movement of people, setting up the travel agency situation, where the various people were going to move to various parts of the country. I was on special assignment to go talk to like, say, political leaders in the various parts of the country and try to solicit their support on our part; various and sundry things that the campaign would want me to do, from movement of people to travel agencies, that sort of thing.

Mr. SANDERS. Were you the only deputy campaign manager?

Mr. MORRISON. No, sir, I was not.

Mr. SANDERS. How many others were there?

Mr. MORRISON. I think three or fouir.

Mr. SANDERS. Would you state the r names and areas of responsibility?

Mr. MORRISON. That is going to take some thinking.

I think Mike Maloney was a deputy campaign manager. I think Arnold Pinkney was; I may be wrong on that, but I think so. I think we had one for media, too. There were three or four of us.

Mr. SANDERS. What were Maloney's areas of responsibility?

Mr. MORRISON. He was in the delegate hunt, the hunt and delegate search. He attempted to acquire delegate strength and support for the convention.

Mr. SANDERS. What were Pinkney's responsibilities?

Mr. MORRISON. I do not know.

Mr. SANDERS. In serving the Humphrey campaign, did you work out of your own business office?

Mr. MORRISON. No. I worked primarily out of the Washington office here on P Street, whatever the address was.

Mr. SANDERS. I assume you spent several days a week here?

Mr. MORRISON. I would come in, say, for example, on a Sunday night or a Sunday and spend 2 or 3 days and then go back or come in on a Friday, spend the weekend, and then go back.

Mr. SANDERS. Did you have any staff working under you?

Mr. MORRISON. You say under me?

Mr. SANDERS. Directly for you?

Mr. MORRISON. I do not know what——

Mr. SANDERS. Did you have an assistant or a secretary or any clerical or staff assistants?

Mr. MORRISON. The staff people, the secretaries operated for just about anybody that was in need of someone for clerical, whatever. It was not a situation where one person worked for one other person. A girl would be available to whomever was in a position, needed some typing or whatever.

Mr. SANDERS. Did you do any fundraising for the Humphrey campaign?

Mr. MORRISON. I cannot think of any fundraising activities that I did. I attended some fundraising functions, but it was not my responsibility to go out and find donors, contributors, I do not believe I actually solicited any—well, at fundraising parties and so forth, we would ask people for their help and support.

Mr. SANDERS. Just now and a little bit earlier you made some mention of talking with people to enlist their support for the Humphrey campaign.

In using the term "support," I presume you were not specifically asking them to contribute money?

Mr. MORRISON. No.

Mr. SANDERS. What was your understanding of the person in the Humphrey campaign who had the highest immediate responsibility for fundraising?

Mr. MORRISON. Originally, the man who handled most of the fundraising activities was a man by the name of Gene Wyman. He was a very helpful person and was involved in fundraising activities. He had been a long-time supporter of Humphrey.

Mr. SANDERS. Did you say he was active only early in the campaign?

Mr. MORRISON. No; he was active all the way through. But when I say "originally," if I were to give my estimate of the person who was the most responsible, most diligent, most helpful, it would be Gene Wyman.

Mr. SANDERS. Where is his residence?

Mr. MORRISON. He lived in Los Angeles.

Mr. SANDERS. Do you know what his primary business is?

Mr. MORRISON. He was a lawyer.

Mr. WALTERS. Mr. Wyman is dead.

Mr. SANDERS. Do you know whether Wyman served in any active capacity for Senator Humphrey in earlier campaigns?

Mr. MORRISON. No; I do not know whether he was involved in earlier campaigns. I do remember people talking about Gene Wyman and his interest as far as Humphrey was concerned.

Mr. SANDERS. Before January 1972 did you perform any political services for Senator Humphrey?

Mr. MORRISON. When you say before January 1972, what do you mean?

Did I go out and contact political leaders or attempt to get support for him to run?

Mr. SANDERS. Well, you said that you commenced an active role in the campaign beginning in January 1972.

Mr. MORRISON. Yes.

Mr. SANDERS. Before that point, did you perform any service for Senator Humphrey in a political way?

Mr. MORRISON. Other than talking to people and saying we think he is a good man, we would like to have him run for President.

Mr. SANDERS. If you were doing that merely as an individual citizen who liked Senator Humphrey, that is not what I had in mind. I mean, did you perform any service for him at his behest or request or suggestion of anyone working for him?

Mr. MORRISON. I guess I can say no. I do not really know what you mean. For example, in Minnesota, I was interested in having him run. I talked to political leaders out there and said, hey, would you not be interested in supporting him, things like that.

Mr. SANDERS. Before January 1972 did you have any manner of official connection with any Humphrey campaign organization?

Mr. MORRISON. Not that I can think of, no.

Mr. SANDERS. Did you perform any services for him in 1968?

Mr. MORRISON. No, sir.

Mr. SANDERS. Did you have an acquaintanceship with his 1968 campaign manager?

Mr. MORRISON. Who was his campaign manager?
Mr. SANDERS. I was going to ask you that.
Mr. MORRISON. I do not know.
Mr. SANDERS. You do not know who he was?
Mr. MORRISON. I do not know who his campaign manager was. I do not.
Mr. SANDERS. Before January 1972 did you have an acquaintanceship with Paul Thatcher?
Mr. MORRISON. Yes, I did.
Mr. SANDERS. A business relationship?
Mr. MORRISON. No; he was an active businessman in Minnesota where I knew him. I should not say I know him, but I met him, probably in 1970, but I had no business relationship with him at all.
Mr. SANDERS. Did you have any role in obtaining funds for the Humphrey campaign based on loans that were made by supporters?
Mr. MORRISON. Not that I can think of.
Mr. SANDERS. What is your understanding of the largest single contributor to the Humphrey campaign?
Mr. MORRISON. I think the largest contributor, from what I have been able to gather, was a fellow by the name of Duncan. I think Duncan was the largest contributor.
Mr. SANDERS. Did you have any contact with Duncan during the campaign?
Mr. MORRISON. No, sir, I never met the man.
Mr. SANDERS. Did you have any participation in the contributions, in soliciting the contributions by Duncan?
Mr. MORRISON. No.
Mr. SANDERS. Did you have any involvement in the arrangements which were made for the loans to Duncan?
Mr. MORRISON. I do not know what you mean by arrangements. I was one of four or five individuals that guaranteed a portion of a note during the campaign.
Mr. SANDERS. Would you explain the circumstances of your role in guaranteeing a note?
Mr. MORRISON. Sure. As I remember it, one day word kind of filtered through the campaign that there was a man who was worth $10 million or $15 million that wanted to make a contribution. I think it was Joe Cole, said he is going to make a contribution, and we are going to need four or five guarantees for a part of it for a short period of time. It was a 5-minute conversation.
And he said would I be willing to guarantee that portion, the man was essential and so forth, and he was going to make this contribution. And I signed my name to some sort of guarantee form of which I do not have a copy.
Mr. SANDERS. How were you presented with this form?
Or what were the circumstances of the form being presented to you for signature?
Mr. MORRISON. I was in the office—or was I walking down the street? I was either walking down the street in front of the office and Joe was getting out of his car and said, I would like you to be one of the four or five guys to guarantee this portion of the Duncan loan, the Duncan contribution or whatever it was, and I said I would.
Mr. SANDERS. At the time that you signed this form, were any other signatures already on it?

Mr. MORRISON. I do not remember whether there were or not. I was led to believe that there were five of us, I think there were, to help guarantee this for a short period of time.

Mr. SANDERS. Was there an amount stated on the form, a sum of money?

Mr. MORRISON. I think the maximum for each person was $20,000.

Mr. SANDERS. That would not have been stated on the form? That was probably the representation to you by Joe Cole, I assume?

Mr. MORRISON. I cannot remember now. I know that there was a large investigation or a large document that the GAO had when they investigated that transaction. I do not know whether I read it or not. I do not think so.

Mr. SANDERS. Your understanding was the total amount involved was $100,000, I assume?

Mr. MORRISON. Yes.

Mr. SANDERS. Do you know from what financial institution these funds were going to be obtained?

Mr. MORRISON. No. I do not remember whether that was told to me or not.

Mr. SANDERS. It was Joe Cole who approached you to get your signature for this form?

Mr. MORRISON. Yes.

Mr. SANDERS. You never had a discussion with Duncan about this transaction?

Mr. MORRISON. I never met the man. I never talked to him.

Mr. SANDERS. To your knowledge was the $100,000 then, indeed, available to the Humphrey campaign?

Mr. MORRISON. Not to my knowledge. I presume it was. Subsequently, later, when I read the newspapers, I understand it was. I never saw the transaction.

Mr. SANDERS. Was the $100,000 repaid?

Mr. MORRISON. I do not understand what you mean.

Mr. SANDERS. Did Duncan eventually pay the $100,000 to the financial institution?

Mr. MORRISON. I do not think so.

Mr. SANDERS. Were you required to pay any sum of money?

Mr. MORRISON. They asked me to pay a portion of the guarantee, so to speak, of the $20,000, and I called my lawyers in Minneapolis. They have got it. I have not done anything, because they have not given me advice on what to do with it.

Mr. SANDERS. Is it your understanding that the matter is still unresolved?

Mr. MORRISON. I do not know what you mean by unresolved.

Mr. SANDERS. Is there still a claim against you for some sum of money?

Mr. MORRISON. Yes, as I understand it, there is. I do not remember how long ago this was, but a request was made by Joe Cole to pay a portion of this, and I turned it over to my lawyers in Minneapolis and said, please give me advice on what I should do on this matter. They are now making a determination as to what I should do.

Mr. SANDERS. Do you know whether any other guarantors have made any payment on that note?

Mr. MORRISON. Of my own personal knowledge?

Mr. SANDERS. Have you heard?

Mr. MORRISON. I have heard that they have. I do not know this to be true. I have heard that they have. I have heard that the other four individuals have paid something on this. How much, I do not know.

Mr. WALTERS. So the record is clear, when you mentioned the lawyers in Minneapolis, you are not necessarily meaning the same lawyers that are appearing with you today here.

Mr. MORRISON. These are my firm's lawyers.

Mr. SANDERS. Did you make any personal contributions to the Humphrey campaign?

Mr. MORRISON. I do not remember making any, no.

Mr. SANDERS. Did your business firm in any way make any assets available to the Humphrey campaign?

Mr. MORRISON. What do you mean, assets available? Contributions?

Mr. SANDERS. Yes.

Mr. MORRISON. No.

Mr. SANDERS. Did any other executives of your firm perform any services for the Humphrey campaign?

Mr. MORRISON. No.

Mr. SANDERS. To your knowledge, did any officials of Eldorado make any contributions to the Humphrey campaign?

Mr. MORRISON. To my knowledge, no one else, nobody in our firm made any contributions to his campaign.

Mr. SANDERS. To your knowledge, were any goods or services which were furnished to the Humphrey campaign billed or invoiced to Eldorado for payment?

Mr. MORRISON. The only thing, we have a leasing company that rented them some cars. I think. One car, two cars, 1 month, 2 months; 3 or 4 months, something like that.

Mr. SANDERS. Is this a subsidiary company?

Mr. MORRISON. Well, yes. It is not a subsidiary; it is a division.

Mr. SANDERS. This division of Eldorado leased some car or cars to the Humphrey campaign?

Mr. MORRISON. One or two.

Mr. SANDERS. For several months?

Mr. MORRISON. I am going to guess 2, 3, 4 months.

Mr. SANDERS. Was the firm reimbursed for this?

Mr. MORRISON. The firm has billed the campaign, and the campaign has been short of money and has agreed to pay it in full.

Mr. SANDERS. What is the approximate value?

Mr. MORRISON. I do not remember exactly what the value is. I think it was on a daily rental basis. When they called me to rent the cars, I said rent them at the full value, whatever we would be getting from anybody else who happens to rent cars on a daily basis, or a weekly basis, or however it is.

Mr. SANDERS. I wonder if we could be provided with documentation of this leasing?

Mr. MORRISON. Yes.

Mr. SANDERS. Mr. Walters, could you perhaps send that to us by mail?

Mr. WALTERS. We will see what we can get for you.

Mr. SANDERS. The invoicing on that.

Mr. WALTERS. Yes.

Mr. SANDERS. Do you have knowledge of any goods or services provided the Humphrey campaign which were billed or invoiced for payment to any corporations, not the corporations which provided the services?

Mr. MORRISON. You are going to have to start over again.

Mr. SANDERS. Let me give you an example.

Mr. COCHRANE. I do not understand that either.

Mr. SANDERS. Let's say XYZ stationery corporation furnishes $5,000 worth of supplies to the Humphrey campaign. This, then, this bill or invoice is sent to the ABC corporation for payment to XYZ, as if it were stationery delivered to ABC corporation.

Mr. COCHRANE. May I have a minute with the witness off the record?

[Discussion off the record.]

Mr. MORRISON. I am not sure I understand, but I do not have any knowledge of that sort of thing.

Whar you are saying is, a corporation furnished stationery to the campaign.

Mr. SANDERS. Instead of the campaign paying that stationery firm for the goods furnished, the campaign relays the bill to some friendly corporation which is willing to pick up the tab, as if it was an actual expense of the corporation.

Mr. MORRISON. Why would they do that?

Mr. SANDERS. In the form of a contribution.

Mr. MORRISON. I have no knowledge.

Mr. SANDERS. Did you have any involvement in establishing additional campaign committees as recipients for campaign contributions?

Mr. MORRISON. No.

Mr. SANDERS. It is my understanding that you did have some participation in the procurement of funds from a bank in Minneapolis; that is, cash, part of which was used for allocations in West Virginia?

Mr. MORRISON. No; I had nothing to do with the procurement of funds. If you mean arrange for a loan——

Mr. SANDERS. Let's start over with that.

Did you have any involvement in arranging for a loan from a bank in Minneapolis?

Mr. MORRISON. No, sir.

Mr. SANDERS. $57,000?

Mr. MORRISON. No, sir.

Mr. SANDERS. Did you have any participation in the handling of the proceeds of that loan?

Mr. MORRISON. Yes; I did.

Mr. SANDERS. Would you explain the circumstances of that?

Mr. MORRISON. I received some money in my apartment, I think it was a Friday night; I cannot give you the exact date; it was May 9, 10, somewhere in that area. We had some NSF checks in West Virginia, and I took that money, I think it was Charleston or Huntington, I cannot remember if it was Charleston; I think it was Charleston; and gave $17,000 or $18,000 out there to pick up those NSF checks.

Mr. SANDERS. You mean not sufficient funds checks?

Is that what you are referring to?

Mr. MORRISON. Right.

Mr. SANDERS. From whom did you receive the sum of cash?

Mr. MORRISON. It was a law partner of Jack's.

Mr. WALTERS. Jack who?
Mr. MORRISON. Jack Chestnut.
Mr. SANDERS. You got the money from Jack?
Mr. MORRISON. No; a law partner.
Mr. SANDERS. Who was it?
Mr. MORRISON. Burkhard.
Mr. SANDERS. Had he been working for the campaign, or was this just incidental service?
Mr. MORRISON. Not to my knowledge.
Mr. SANDERS. What was the sum of money that was delivered to you?
Mr. MORRISON. I think it was $57,000.
Mr. SANDERS. Did you count it?
Mr. MORRISON. No.
Mr. SANDERS. Do you know in what denominations?
Mr. MORRISON. I cannot remember whether it was 100's, 20's, or whatever. Probably could have been both.
Mr. SANDERS. In delivering it to you, what did he say, if anything, about its origin or intended purpose?
Mr. MORRISON. He did not say anything. He just delivered the money. I was aware that they were going to go to Minneapolis and borrow the money, because they needed some cash to pay for some checks in West Virginia.
Mr. SANDERS. Was this delivered to you in Washington or Minneapolis?
Mr. MORRISON. Washington.
Mr. SANDERS. What I do not have an understanding of is who said what to you in advance of delivery, apart from why the money was needed and what your responsibilities were to be?
Mr. MORRISON. OK.
The campaign manager said, he asked me if I would take some money to West Virginia and give it to Bob Barry to pay for some NSF checks that we had in West Virginia.
Mr. SANDERS. Chestnut asked you if you would do that?
Mr. MORRISON. Yes.
Mr. SANDERS. Did Chestnut make known to you how the funds were going to be obtained?
Mr. MORRISON. As I remember it, someone was going to Minneapolis, Paul Thatcher or somebody, to borrow the money.
Mr. SANDERS. Did he tell you that it was going to be in the form of cash?
Mr. MORRISON. Yes.
Mr. SANDERS. Did he tell you why cash was being used as opposed to checks?
Mr. MORRISON. Because the checks in West Virginia, I guess you can only deposit them once or twice, or so many times. After that, they do not go through the bank any more. Those people out there could not put them through the bank again, so we had to go up and give them cash to make those checks good.
Mr. SANDERS. Did you take the entire $57,000 to West Virginia?
Mr. MORRISON. Yes.
Mr. SANDERS. You say you received this on a Friday or a Saturday night?

Mr. MORRISON. In my judgment, it was a Friday night. I think it was a Friday night, because I remember it was Saturday morning that I jumped on a plane to go there. I can't remember the date, but it was a Friday night I think I received it, and on a Saturday morning I went to West Virginia.

Mr. SANDERS. It is my understanding that the entire amount was not required in West Virginia.

Mr. MORRISON. No; it was not.

Mr. SANDERS. How much did you deposit?

Mr. MORRISON. $17,000, $18,000. Something like $17,000 or $18,000.

Mr. SANDERS. Was it Barry who made it known to you the total sum that was needed in West Virginia?

Mr. MORRISON. I believe it was; yes.

Is it OK if I say I think? I am not so sure we knew what the amount was at that point. So I was to go up there and find out how much he needed to pay for those notes, or those checks.

Mr. SANDERS. What I am getting at is, there is a considerable difference between $57,000 and $17,000. Are you saying that there was a possibility that the outstanding obligations in West Virginia were $57,000?

Mr. MORRISON. I do not remember. When we talked about the number, I remember at one point we thought the number could be higher, and I think we probably had some deposits in the bank to cover some of them. When we got there these were the ones that could no longer go through.

Mr. SANDERS. Can you provide us with some understanding of the nature of the obligations in West Virginia for which checks had been issued that did not clear?

Mr. MORRISON. No, sir.

Mr. SANDERS. Was this very close to the West Virginia primary date?

Mr. MORRISON. I do not remember. I do not remember. I am sure that someone has the date and time. I do not remember. I am sure that someone has the date when that loan was processed. I just do not remember.

Mr. SANDERS. Did you at any other time in the campaign make any deliveries of cash in the amounts of $1,000 or more to any persons?

Mr. MORRISON. No, sir.

Mr. SANDERS. Would you explain, please, what you did with the money remaining after you gave $17,000 to Barry?

Mr. MORRISON. I caught a plane and came back to Washington and put the balance of it in our desk, locked it up, stuck the key in my pocket and went back to Minneapolis.

Mr. SANDERS. That was probably a Saturday?

Mr. MORRISON. I am positive it was a Saturday.

Mr. SANDERS. Who, if anyone, did you tell about the placement of this cash in your desk?

Mr. MORRISON. I do not remember telling anybody, but I presume I told Chestnut and/or Thatcher. I just do not remember that I told anybody so specifically, but I am sure that I told Chestnut and Thatcher that I left the money there.

Mr. SANDERS. Was it for personal reasons that you were returning to Minneapolis?

Mr. MORRISON. Yes, sir.

Mr. SANDERS. Had you previously been told what should be done with any cash that was left over from your trip to West Virginia?

Mr. MORRISON. Not to my knowledge.

Mr. SANDERS. What did you think would be done with this cash?

Mr. MORRISON. Deposited in the bank.

Mr. SANDERS. What is your knowledge about what did happen?

Mr. MORRISON. When I got back 3 or 4 days later, the cash was gone.

Mr. SANDERS. Do you have some intervening knowledge now?

Mr. MORRISON. Subsequent?

Mr. SANDERS. You do have intervening knowledge about access to your desk, do you not?

Mr. MORRISON. I understand——

Mr. SANDERS. Did someone not contact you in the interim about obtaining access to your desk?

Mr. MORRISON. No.

Mr. SANDERS. After you put the cash in there, did you lock your desk?

Mr. MORRISON. Yes, I did.

Mr. SANDERS. Did anyone else have a key to it?

Mr. MORRISON. I do not think so.

Mr. SANDERS. Did you receive any call in Minneapolis from anyone in Washington expressing an interest in getting access to your desk?

Mr. MORRISON. I do not remember. There could very well have been. Somebody could have called and said I want to get in the desk, but I do not remember.

Mr. SANDERS. It is my understanding that you had previously told Mr. Elder here that while in Minneapolis you received an urgent call, not an urgent call but a call, possibly from Paul Thatcher inquiring about the location of the key to the desk.

Do you have a recollection of that?

Mr. MORRISON. That is very possible. I just do not remember. Frankly, I do not remember saying that.

Mr. ELDER. We briefly discussed that. I said, who do you think you got a call from. I think it was from Thatcher, but I cannot be sure. You were not sure about it. I will agree with you on that.

Mr. MORRISON. That very well could have been the case.

Mr. SANDERS. Are you saying now that you cannot recall having a conversation with Thatcher?

Mr. MORRISON. I cannot recall having a specific conversation with Paul, no. It is not unlikely that it did happen, that he wanted to know where the money was. It could have been Jack or Paul that would have said, what did you do with it, where is it, and so forth and so on. I would have told them, I am sure. That is a very real possibility.

Mr. SANDERS. What I really want to know is, do you have any recollection of any statements made to you in such a conversation about why they wanted access to the cash and what they were going to do with it?

Mr. MORRISON. There was no statement made to me that they wanted so much for whatever it happened to be. When I got back, the money was gone.

Mr. SANDERS. Did Chestnut or Thatcher tell you what had happened to the cash?

Mr. MORRISON. Subsequently.

Mr. SANDERS. Who told you and what did they tell you?

Mr. MORRISON. I cannot remember. I think it was Paul. In fact, I am relatively sure it was Paul who said we had to get the cash. We deposited it in the bank.

Mr. SANDERS. Did you learn——

Mr. MORRISON. It was not a very safe place to keep cash, in a desk. We did not have a safe up there.

Mr. SANDERS. Do you have knowledge of any payments of cash by anyone in the campaign of $1,000 or more other than the $17,000 you transferred to West Virginia?

Mr. MORRISON. If I understand your question, you mean was any cash disbursed to people for various things that I knew of?

Mr. SANDERS. Was any sum of cash in the amount of $1,000 or more, to your knowledge, disbursed to any person or organization at any time during the campaign other than the $17,000 you took to West Virginia?

Mr. MORRISON. Not $1,000 or more.

Mr. SANDERS. What I mean is on one occasion. That is what I am talking about.

Mr. MORRISON. The only thing I know are little things.

Mr. SANDERS. My question is $1,000 or more.

Mr. MORRISON. No.

Mr. SANDERS. You know of no such instance.

Mr. MORRISON. No.

Mr. SANDERS. Do you know of any sums of cash which were taken to California or transferred to California?

Mr. MORRISON. No, sir, I do not.

Mr. SANDERS. Did the campaign, to your knowledge, maintain any bank safety deposit boxes?

Mr. MORRISON. Not to my knowledge.

Mr. SANDERS. In any of the campaign space, was there any form of safe with a combination lock on it?

Mr. MORRISON. Not to my knowledge. If there had been, I would have put it in the safe, not in my desk.

Mr. SANDERS. It has also been indicated to me in the interview with Mr. Elder, you made some remark to the effect that you thought that the money remaining after your trip to West Virginia may have been used in the California primary for campaign expenses.

Did you say that to Mr. Elder?

Mr. MORRISON. I think subsequently I heard that some money was taken to California. I did not know that at the time. I think Mr. Elder asked that question, and I said I believe that someone took it.

Mr. SANDERS. Did you hear it was taken in the form of—right to California in the form of cash?

Mr. MORRISON. Mr. Sanders, I just do not remember whether it was cash or a check or what.

Mr. SANDERS. If money were made available for California, by a check or a bank transaction, we would not speak of it as being taken to California.

Mr. MORRISON. I did hear that there was some form of cash being taken to California to use for expenses there.

Mr. SANDERS. Who did you hear this from?

Mr. MORRISON. Jack, Paul, I do not remember.

Mr. SANDERS. Do you know who would have taken it to California?
Mr. MORRISON. I think Jack took it to California.
Mr. SANDERS. Do you know what he did with it there?
Mr. MORRISON. No.
Mr. WALTERS. When you said Jack, you are talking about Jack Chestnut?
Mr. MORRISON. Yes.
Mr. WALTERS. When you talk about Paul, you are talking about Paul Thatcher?
Mr. MORRISON. Yes.
Mr. COCHRANE. Off the record.
[Discussion off the record.]
Mr. SANDERS. It has been indicated Senator Humphrey received a contribution of $50,000 from John Loeb. Did you have any involvement in that transfer of funds?
Mr. MORRISON. No, sir.
Mr. SANDERS. Do you know John Loeb?
Mr. MORRISON. No.
Mr. SANDERS. Have you ever talked to him?
Mr. MORRISON. I have never talked to him.
Mr. SANDERS. Were you present in New York when that agreement was reached?
Mr. MORRISON. I was not present.
Mr. SANDERS. Did you have any participation in the arrangements?
Mr. MORRISON. No, sir.
Mr. SANDERS. Do you now know who participated with Senator Humphrey in the initial contact with John Loeb?
Mr. MORRISON. No.
Mr. SANDERS. Have you ever discussed that Loeb contact with Jack Chestnut?
Mr. MORRISON. Discussed it?
Mr. SANDERS. Yes.
Mr. MORRISON. No. You know, I have read about it in the newspaper.
Mr. SANDERS. Have you ever talked with Mr. Chestnut about the contact with Loeb and the solicitation of the $50,000?
Mr. MORRISON. No.
Mr. SANDERS. Do you have any knowledge of the handling of the Loeb contribution in the campaign office?
Mr. MORRISON. No, I do not.
Mr. SANDERS. Do you have any questions?
Mr. ELDER. I think you pretty well went into it. I think the only thing that could be added to it, what was the address of your apartment in Washington where the money was delivered?
Mr. MORRISON. 2121 P Street.
Mr. ELDER. 2121 P Street.
Mr. MORRISON. I think that was it, 2121 P Street.
Mr. ELDER. Are you sure about that?
We briefly discussed that night. We talked about it at that time.
Mr. COCHRANE. We will supply the address.
Mr. ELDER. You were still involved with the floods down in Arkansas.
Mr. MORRISON. I think it was 2121 P Street.
Mr. SANDERS. Did you keep any cash in your desk in Washington?

Mr. MORRISON. No.

Mr. ELDER. Petty cash or some small sums?

Mr. MORRISON. No.

Mr. ELDER. Did anybody use that desk to keep sums in it?

Mr. MORRISON. No.

Mr. ELDER. Not that you can remember at this particular time.

Mr. MORRISON. No.

Mr. ELDER. Did you at any time have to pay a worker in Washington a small sum of money who refused or indicated he would not work or was not going to continue to work?

Mr. MORRISON. You asked me that question in Minneapolis. I have thought about it. I do not know who that could be or the circumstances surrounding it. You mentioned somebody by the name—somebody. I just do not remember.

Mr. ELDER. As far as you know, you never did keep an amount of cash in that desk other than the $57,000 which at one time has been discussed. You cannot recall keeping any small amounts of cash in there to pay possibly employees or campaign workers?

Mr. MORRISON. Not that I can remember.

Mr. ELDER. If you cannot remember, you cannot remember.

Mr. MORRISON. No.

Mr. ELDER. Is this, as far as you can recall, the only amount of cash payment you ever placed in that desk?

Mr. MORRISON. It is the only amount of cash I ever placed in that desk.

Mr. ELDER. You only used the desk 2 or 3 days a week apparently.

Mr. MORRISON. Yes.

Mr. ELDER. When you say you were out of town—you went back to Minneapolis on business or campaigning?

Mr. MORRISON. On campaigning. In Minnesota we did not have primaries or anything like that, so I would go back to Minnesota on business.

Mr. ELDER. All the times when you left Washington and you were not home, you were out campaigning in the States, Florida, Maryland, Indiana, Pennsylvania.

Mr. MORRISON. I was not in all of those States. I was only in a couple. I think I was in Ohio for a couple days, California for a short period of time. I do not think I was ever in Michigan or Maryland, Indiana and Nebraska.

Mr. ELDER. At this time, did you ever keep any list of anybody that may have contributed money to the campaign, to the rallies, the fund rallies that you attended?

Mr. MORRISON. No.

Mr. ELDER. You have no knowldege of the contributors?

Mr. MORRISON. No, I did not keep any lists. I did not have any involvement in that at all.

Mr. ELDER. Do you have any knowledge of how the finance records were kept in the office?

Mr. MORRISON. No, I do not.

Mr. ELDER. Did you ever hear of any anonymous contributions made to the campaign?

Mr. MORRISON. Anonymous?

Mr. ELDER. People that wanted to be anonymous?

Mr. MORRISON. No, I do not recall anybody that contributed on an anonymous basis.

Mr. ELDER. Did you ever have any inkling or suspicion who removed the cash from the desk, the remainder of the $57,000?

Mr. MORRISON. It is my understanding that Paul Thatcher did.

Mr. ELDER. Did you ever talk to Mr. Cole about it?

Mr. MORRISON. I do not think so. I do not remember if he was even there.

Mr. ELDER. Was Mr. Cole in town that particular Saturday that you returned the cash from West Virginia?

Mr. MORRISON. No, I do not remember seeing him. I do not think he was there.

Mr. ELDER. Could he have been in town that day?

Mr. MORRISON. I doubt it. I do not think so. I think I would have seen him if he had been in the office.

Mr. ELDER. What about Mr. J. David Marks?

Was he in town that particular day or during the time that the $57,000 loan was obtained?

Mr. MORRISON. Not to my recollection. He could very well have been there. I do not remember him specifically being in the office. He did not have anything to do with it as I remember.

Mr. ELDER. Could these individuals have appeared at the office after you departed for Minneapolis?

Mr. MORRISON. It is very possible.

Mr. ELDER. It is possible?

Mr. MORRISON. It is possible. I do not remember seeing them. I was in and out very quickly, jumped on a plane and went to Minneapolis. I got the early plane in the morning and spent 20 minutes in the airport and jumped in the first plane I could get back.

Mr. ELDER. Did you worry at all about leaving $40,000 in the desk?

Mr. MORRISON. Did I worry?

Mr. ELDER. Yes.

Mr. MORRISON. I had two worries. I did not want to carry it and I did not want to leave it in the desk.

Mr. ELDER. There was no other place that you could leave it locked up?

Mr. MORRISON. I did not want to leave it in the apartment, I did not want to carry it with me, and I did not want to leave it in the desk.

Mr. ELDER. You do not know what happened to it after Mr. Thatcher, if he did remove it, what happened to it that particular day, do you?

Mr. MORRISON. I do not know what he did, but I understand he deposited it in the bank.

Mr. ELDER. The only real loan that you had anything to do with was the Duncan loan where you were a guarantor or——

Mr. MORRISON. Right.

Mr. ELDER. Did you make any loans to the committee?

Mr. MORRISON. Did I personally make any loans?

Mr. ELDER. Yes.

Mr. MORRISON. No.

Mr. ELDER. I have nothing else.

Mr. SANDERS. I have a few questions.

Do you have today any written records, notations, copies of correspondence, correspondence, any documents whatsoever that—which were prepared or emanated from your service with the Humphrey campaign in 1972?

Mr. MORRISON. No.

Mr. SANDERS. I would assume that from January 1972 until June or July 1972 you had some office files, correspondence, memorandums, and such things.

Mr. MORRISON. Right.

Mr. SANDERS. At the time that you ceased your active work with the campaign, did you leave all of them with the campaign?

Mr. MORRISON. I left them in the office.

Mr. SANDERS. You took no files with you?

Mr. MORRISON. No.

Mr. SANDERS. Do you know where those files are today?

Mr. MORRISON. No; I do not know. I presume that they are where the campaign files are.

Mr. SANDERS. It is my understanding that a considerable number of Humphrey records were destroyed—it is my understanding records principally relating to the period before April 7, 1972.

Do you have any knowledge about the destruction of those records?

Mr. MORRISON. No; I do not.

Mr. SANDERS. Do you know——

Mr. MORRISON. Are you sure that they were destroyed?

Mr. COCHRANE. He is talking about records prior to April 1972.

Mr. SANDERS. Yes, sir.

Mr. COCHRANE. You have no knowledge?

Mr. MORRISON. No.

Mr. SANDERS. Do you have some understanding that some records from the period April 1972 are still in existence?

Mr. MORRISON. I thought all kinds of records. Is somebody here from the GAO? There was a whole bunch of records——

Mr. COSTA. Post-April 7.

Mr. COCHRANE. Do you have any knowledge?

Mr. MORRISON. No.

Mr. SANDERS. Since the time you left the campign, have you ever had occasion to gain access to any campaign records?

Mr. MORRISON. No; I have not.

Mr. SANDERS. Have you ever had occasion to discuss with any other campaign officials the maintenance or destruction of campaign records?

Mr. MORRISON. No; I have not.

Mr. SANDERS. Do you know Ben Fellows?

Mr. MORRISON. I met him twice.

Mr. SANDERS. Are you aware that he was engaged to conduct an audit of the Humphrey records?

Mr. MORRISON. I was not aware that he was engaged to conduct an audit of the records, I think, until last night. We came in on the same plane.

Mr. SANDERS. Did you discuss with him his examination of the Humphrey financial records?

Mr. MORRISON. No; I did not sit with him. I said hello and visited for 10 minutes, and that is it.

Mr. SANDERS. Do you know of any contributions that were made to the Humphrey campaign by persons who used an intermediary

or straw party so that the identity of the true donor would be protected?

Mr. MORRISON. No; I do not.

Mr. SANDERS. Do you know of any funds furnished to the Humphrey campaign which emanated from citizens of foreign countries?

Mr. MORRISON. No.

Mr. SANDERS. Have you ever had any occasion to discuss with Paul Thatcher the contribution by John Loeb?

Mr. MORRISON. No; I have not.

Mr. SANDERS. Did you have occasion to have any conversations with Senator Humphrey beginning with January 1972 until the present time?

Mr. MORRISON. Have I had any conversations with Senator Humphrey beginning January——

Mr. SANDERS. January 1972 to the present time?

Mr. MORRISON. Yes; I have talked to him.

Mr. SANDERS. In any of those conversations was there any discussion of the John Loeb contribution?

Mr. MORRISON. No, sir, there was not.

Mr. SANDERS. Was there any discussion of the $57,000 loan from the Minneapolis bank?

Mr. MORRISON. No; there was not.

Mr. SANDERS. Was there any discussion of the use of cash in the campaign?

Mr. MORRISON. There was not.

Mr. SANDERS. Do you have any knowledge of funds which were onhand for the Humphrey campaign as of January 1, 1972?

Mr. MORRISON. Say that again.

Mr. SANDERS. Do you have any knowledge in any respect concerning funds on hand for the Humphrey campaign as of January 1, 1972?

Mr. MORRISON. Like in a checking account?

Mr. SANDERS. Yes.

Do you have a general idea of how much money was on hand?

Mr. MORRISON. No.

Mr. SANDERS. No general idea?

Mr. MORRISON. No. January 1?

Mr. SANDERS. 1972.

Mr. MORRISON. No.

Mr. SANDERS. At the time that you joined the campaign, did you know the financial condition of the campaign?

Mr. MORRISON. The financial condition of that campaign? It was an impossible situation.

Mr. SANDERS. I would like to confine this to January 1972.

Mr. COCHRANE. Answer his question.

Do you have any knowledge?

Mr. MORRISON. No, sir.

Mr. SANDERS. Was it in the red as of January 1972?

Mr. MORRISON. My recollection is it was always in the red.

Mr. SANDERS. In January 1972, did you have occasion to see any financial statements?

Mr. MORRISON. No; I may be wrong. I do not even know if we ever had a financial statement.

Mr. SANDERS. Do you know what financial depositories were being used in January 1972?

Mr. MORRISON. I could have known, but I do not remember, and I do not remember what banks were being used. I suppose there was a bank in Washington.

Mr. SANDERS. Do you have any knowledge of any funds being carried over to the 1972 campaign from earlier years, even 1968?

Mr. MORRISON. No; I do not. If I was going to guess, I would guess there was not.

Mr. COCHRANE. Do not guess. Answer the man's question.

Mr. WALTERS. You either know or you do not.

Mr. SANDERS Do you have any knowledge of any contributions to Senator Humphrey by Howard Hughes or any intermediary of Howard Hughes?

Mr. MORRISON. No.

Mr. SANDERS. Did you have any questions?

Mr. O'HANLON. I was just going to ask—you mentioned coming to Washington frequently and visits to half a dozen other States.

Were those trips strictly for campaign purposes or was there any business, personal business involved for the company you are connected with?

Mr. MORRISON. The company I am connected with has some business in almost every State, but primarily we have a plant in California, so sometimes I would combine business with campaigning. For example, California that would be the case, but not that I can think of in other States.

It was primarily for campaign purposes.

Mr. O'HANLON. The trip was solely for campaign purposes.

Did the campaign pay the expenses?

Mr. MORRISON. Yes.

Mr. O'HANLON. No other questions.

Mr. SANDERS. Did you receive any compensation or remuneration for your services to the Humphrey campaign?

Mr. MORRISON. No.

Mr. SANDERS. You were not salaried?

Mr. MORRISON. No.

Mr. SANDERS. Did the campaign pay for your travel between Minneapolis and Washington, D.C.?

Mr. MORRISON. Yes; it did.

Mr. SANDERS. No further questions.

[Whereupon, at 10:55 o'clock a.m., the hearing was adjourned.]

TUESDAY, OCTOBER 23, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 11:30 a.m., in room G–324, Dirksen Senate Office Building.

Present: Senator Weicker.

Also present: Donald Sanders, deputy minority counsel; Robert Costa and Richard O'Hanlon, investigators.

Senator WEICKER. Raise your right hand.

Do you swear the evidence you are about to give before this committee is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FELLOWS. I do.

Mr. COSTA. Ben, why do we not start by having your full name, your current address, and your occupation or employer?

TESTIMONY OF BEN E. FELLOWS, ACCOMPANIED BY JOE WALTERS, COUNSEL

Mr. FELLOWS. Ben E. Fellows, Minneapolis, Minn., and I am employed by the O'Connor law firm.

Mr. WALTERS. Let the record show at this moment that I am appearing here with Mr. Fellows, and we are reserving objections to the taking of Mr. Fellows' testimony here on the following basis. First of all, the attorney-client privilege basis, in that Mr. Fellows has been employed since April of this year as a member of our law firm, and we have been representing the Committee for the Nomination of Hubert H. Humphrey, as well as others.

Second, we are reserving the right to direct Mr. Fellows not to answer on the basis that I understand, that it is the policy of the committee not to take testimony from attorneys who are representing particular clients.

And third, the objection is made on reservation rights based upon the lack of a quorum here at this particular executive session of the subcommittee.

By saying this, I am willing to let Mr. Fellows proceed without such questions constituting a waiver, generally, on our part, or on his part, or on my part, to direct him not to answer as we move along through this testimony. So with that statement for the record, you may proceed with your questions.

Mr. COSTA. Mr. Fellows, are you connected with any other corporations or companies? Do you hold an office of any type?

Mr. FELLOWS. I do not presently hold any office. I am currently on leave of absence.

Mr. COSTA. With what firm?

Mr. FELLOWS. National City Bank of Minneapolis.

Mr. COSTA. Could you briefly explain your involvement with the Humphrey campaign, basically when you started, what you did, and when and if you terminated your association?

Mr. FELLOWS. I was requested to come to Washington initially to review the records and put the records in order in anticipation of the GAO audit.

Mr. COSTA. When was that request made?

Mr. FELLOWS. I believe some time in April 1973.

Mr. COSTA. Are you still performing functions for the campaign or the lawyers for the committee of any kind?

Mr. FELLOWS. Basically, yes.

Mr. COSTA. Could you get into a little bit more detail in terms of what you did in your audit or review of the Humphrey records for the committee?

Mr. FELLOWS. Well, initially, it was just to put the records in order. Subsequent to that, we did a complete, or I did a complete, transactional audit of the committee records, in order to file certain amendments to the reports that had been previously filed.

Mr. COSTA. So, in other words, your audit included both receipt and disbursement funds?

Mr. FELLOWS. Yes, that is correct.

Mr. COSTA. Including computation of all the opening cash balances of 1970?

Mr. FELLOWS. That is correct.

Mr. COSTA. Let me back up a little bit. Were you associated with any members of the committee; for instance, Paul Thatcher?

Do you have a business association with Mr. Thatcher?

Mr. FELLOWS. Yes, I am associated with Mr. Thatcher.

Mr. COSTA. In what respect?

Mr. FELLOWS. Paul Thatcher currently is an officer of Independent Bancorporation, which is the majority owner of National City Bank.

Mr. COSTA. And upon completion of your review or audit of the net records of the Humphrey committee, did you render an opinion of any kind.

Mr. FELLOWS. No; I did not render any opinion.

Mr. COSTA. Did you prepare any informative memo of any type based on that review or audit?

Mr. FELLOWS. Yes.

Mr. WALTERS. You mean him personally?

Mr. COSTA. Did he add to it?

Mr. FELLOWS. I participated in the preparation of a brief which was filed with the General Accounting Office and, in addition to that, I prepared on two occasions, I believe, memorandums to Mr. Thatcher with respect to information.

Mr. COSTA. Let me back up a little bit. Did you prepare amendments based upon your review of the Humphrey records?

Mr. FELLOWS. Yes; I did.

Mr. COSTA. You did both receipts and expenditures?

Mr. FELLOWS. Yes; I did.

Mr. COSTA. Do you recall how many amendments were filed?

Mr. FELLOWS. I believe three different sets of amendments were filed.

Mr. COSTA. Can you recall when?

Mr. FELLOWS. Beginning in June 1973, and I believe the last one was filed in late July or early August of 1973.

Mr. COSTA. This may be a little premature, but would you care to offer your opinion, in general terms, of the Humphrey recording and reporting system?

Mr. FELLOWS. My personal opinion?

Mr. COSTA. As you saw it from your audit.

Mr. FELLOWS. I would say that the Humphrey committee went to great lengths to establish an elaborate reporting system. It is my opinion that that system broke down because of lack of qualified personnel, because of a lack of funds, and, in many respects, they had created a system which was too sophisticated to operate under the situation.

Mr. COSTA. When you were involved in performing your review, did you gain access to any formal books of account maintained by the Humphrey committee? Were there any formal books of account?

Mr. FELLOWS. By formal books of account, can you be specific in terms of a ledger?

Mr. COSTA. OK. Right. Did the committee maintain a cash receipts journal of any type?

Mr. FELLOWS. Not that I recall. In the context of cash receipts journal, the information was stored on computer files and we had access to those files.

Mr. COSTA. My question also relates to disbursement of funds. Were there any formal ledgers or journals used?

Mr. FELLOWS. The source documents, the vouchers, the check stubs, canceled checks, were available. In addition to that, the data was recorded on the computer files, and those computer files were made available to me.

Mr. COSTA. Were you able to determine whether or not the committee maintained a safe or safe-deposit box of any kind?

Mr. FELLOWS. No, sir, I was not.

Mr. COSTA. You were not able to—OK.

Based upon your audit, could you determine whether or not there had been large deposits of cash? And let me define large deposits of cash for you—anything in excess of $1,000 deposited as receipts to the committee. Did you come across any of those?

Mr. FELLOWS. Yes. On occasion, I came across some deposits of cash.

Mr. COSTA. Could you get into a little bit more detail on those deposits? Can you recall how much, and also, if possible, whose funds they were?

Mr. FELLOWS. Well, there were three specific examples that I can recall. Two of the examples related to a loan that the committee obtained from the National City Bank of Minneapolis, and the deposit represented the residual proceeds of that loan. There were two deposits representing residual proceeds of that loan.

And the other one, the other cash deposit that I recall, was a $2,000 cash deposit, representing a contribution from Mr. Loeb.

Mr. COSTA. Based upon your review of committee records, were you aware of any third party contributions? By third party, thinking in terms of the situation similar to the Loeb contributions?

Mr. FELLOWS. Not based on my review. I read the newspapers about the Loeb transaction.

Mr. COSTA. Did you become aware of any other similar transaction?
Mr. FELLOWS. No, sir.
Mr. COSTA. Did you participate in gathering any information for this committee of pre-April 7 accounts for the Humphrey campaign?
Mr. FELLOWS. No, sir.
Mr. COSTA. You did not?
Mr. SANDERS. Would you state your question again?
Mr. COSTA. I asked if he participated in putting together information at the request of this committee of pre-April 7 data.
Mr. FELLOWS. I believe there was a request for contributors in excess of $150,000, both pre- and post-April 7. In that connection, I participated in that analysis.
Mr. COSTA. Had you received a request for compilation of pre-April 7 accounts for the Humphrey committee?
Mr. FELLOWS. Yes; there was a request for a compilation. The subsequent request for contributions in excess of $150,000 superseded that original request.
Mr. COSTA. When you participated in your preliminary review before the GAO audit, did you have access to pre-April 7 accounts of the committee?
Mr. FELLOWS. There were some records of the pre-April 7 nature. I did not examine those records, because my audit, my review, was strictly post-April 7.
Mr. COSTA. Could you describe the nature of those records?
Mr. FELLOWS. Yes. There were some check books, and I believe there were some bank statements.
Mr. COSTA. Do you know where those records are now?
Mr. FELLOWS. Yes. They are in the possession of the O'Connor firm. The committee changed its name as of April 7; changed all bank accounts as of April 7, and became a new entity at that point in time.
Mr. COSTA. Did you compute an opening cash balance on April 7 as part of your review of the Humphrey records?
Mr. FELLOWS. Yes, I did.
Mr. COSTA. In doing that, did you have occasion to examine all previous April 7 accounts to determine whether or not there were balances in existence?
Mr. FELLOWS. All accounts that I was aware of, yes. In most cases, the committee transferred whatever balances they had into a new account. That new account became the opening balance.
Mr. COSTA. Where did you go for information of that nature?
Mr. FELLOWS. If there was an opening balance on a bank account, post-April 7 bank account, I tried to determine where that balance had come from.
Mr. COSTA. Did you have a list of pre-April 7 accounts showing you whether or not they had balances?
Mr. FELLOWS. No; I do not believe I did.
Mr. COSTA. How did you make a determination as to whether or not an account was active or inactive, whether there was a balance in existence or not in existence?
Mr. FELLOWS. Well, in the course of my audit, I determined the beginning balance of each and every account which existed during the post-April 7 period.
Mr. COSTA. OK.

Mr. FELLOWS. In so doing, the accounts which had a balance as of April 7 were considered a pre-April 7 balance.

Mr. COSTA. Did you have occasion to run across any accounts that had transferred money to a post-April 7 account?

Mr. FELLOWS. Yes; I did.

Mr. COSTA. You did. Where did you get access to that information?

Mr. FELLOWS. I do not understand the question.

Mr. COSTA. OK. I believe you just answered that you did have occasion to see transfers of funds into post-April 7 accounts from pre-April 7 accounts?

Mr. FELLOWS. That is correct.

Mr. COSTA. Was there a way you could determine the source of that money, from what account it had come?

Mr. FELLOWS. In most cases, it came from the same bank. The committee had an account in the National Bank of Washington, a pre-April 7 account, and transferred that into a post-April 7 account. That account would also be in the National Bank of Washington.

Mr. COSTA. Did you have a listing of all the National Bank of Washington accounts, both pre- and post-April 7?

Mr. FELLOWS. Not at the time.

Mr. COSTA. Do you have one now?

Mr. FELLOWS. I believe I have a listing somewhere indicating the pre-April 7 accounts maintained at the National Bank of Washington.

Mr. WALTERS. Now, when you say pre-April 7 accounts, you mean the designation of the bank account maintained at the bank? Is that what you are talking about?

Mr. FELLOWS. That is correct.

Mr. COSTA. And that would include the bank account number and whatever name it was taken out in? Is that correct?

Mr. FELLOWS. Yes, sir.

Mr. COSTA. In conducting my review of the Humphrey records, I can recall a situation where a number of checks were paid from a National Bank of Washington account, post-April 7 account, for pre-April 7 checks which had been drawn on the pre-April 7 account. Do you recall that situation?

Mr. FELLOWS. Yes. That is correct.

Mr. COSTA. Those checks, if my memory serves me right, also the account number on the check in some instances had been punched out, one-hole punch type thing, and a label put over the top indicating, I believe, the National Bank of Washington main account. Do you recall that?

Mr. FELLOWS. That is right.

Mr. COSTA. Do you know who punched out the holes on the checks to take away the old account numbers?

Mr. FELLOWS. The bank would have.

Mr. COSTA. The bank would have done that?

Mr. FELLOWS. Yes. The previous account had been closed. There were no funds available. The new account did have funds available to honor those checks. Consequently, the bank punched out the MICR encoding of the old checks and replaced it with the strip, the readable strip, on the new account.

Mr. COSTA. Are you saying that is a normal process that a bank would do?

Mr. FELLOWS. I am not saying it is normal. I am saying that in the case of the National Bank of Washington it was apparently normal, because they continued to do this with their primary accounts. If there were funds available in one account and a check cleared the bank on another account which did not have funds, they changed the account number on the check and charged it to the account which had funds.

Mr. COSTA. What is your knowledge right now concerning pre-April 7 records of the committee? Are there records in existence right now?

Mr. FELLOWS. There are records in existence, very sketchy records. You cannot reconstruct the transactions, the pre-April 7 transactions, based on the records which are now in existence.

Mr. COSTA. What kinds of records are available?

Mr. FELLOWS. Check books. I believe there are some cash receipts and disbursements reports, possibly some bank statements, but there is no detail indicating the source of funds and contributions, for instance.

Mr. COSTA. Would these check books contain the bank account number?

Mr. FELLOWS. They would.

Mr. COSTA. They would?

Mr. FELLOWS. But this—the bank accounts that I am aware of are the National Bank of Washington accounts. I am not aware of any other accounts.

Mr. COSTA. You had mentioned previously that you are a banking official?

Mr. FELLOWS. Yes.

Mr. COSTA. Would it be possible that—this question would rely somewhat on your experience in the banking field. If an individual had a bank account number only and wanted information relative to receipt and disbursement from an account, could they obtain that information from a bank, draw down a deposit, for instance, to determine what was deposited to an account pre-April 7?

Mr. FELLOWS. The individual items within the deposit?

Mr. COSTA. Yes.

Mr. FELLOWS. That is possible, yes. It is a very costly process. If you will recall, during the audit, the GAO audit, we complied with the GAO's requests several times in reproducing records through the bank's microfilm, and I believe we spent in excess of $3,000—$4,000 on just purely reproduction of records.

Mr. COSTA. OK. So what you are saying, it is possible, though, but extremely costly?

Mr. FELLOWS. Very costly.

Mr. COSTA. Getting back to the existence of the pre-April 7 records, you indicated checkbooks are in existence now, some bank statements are also in existence, and some miscellaneous information relating to receipt and disbursement funds. Is that correct?

Mr. FELLOWS. The reports.

Mr. COSTA. They are physically located where?

Mr. FELLOWS. In the O'Connor office.

Mr. COSTA. In the O'Connor office?

Mr. FELLOWS. That is correct.

Mr. COSTA. May I go off the record for a moment, please?

[Discussion off the record.]

Mr. COSTA. Are there any other records, for instance, memos or anything of that nature, pre-April 7, that you are aware of? Any filings that you are aware of?

Mr. FELLOWS. Not that I am aware of, no.

Mr. COSTA. I asked about formal books or accounts, and I do not know whether you answered post-April 7 or for the entire period, pre- and post-April 7. Are you aware of any formal books of account relative to pre-April 7 activities?

Mr. FELLOWS. There is a ledger.

Mr. COSTA. There is a ledger? Where is that ledger?

Mr. FELLOWS. It is with the documents that we discussed previously.

Mr. COSTA. A ledger of what? Receipt? Disbursement?

Mr. FELLOWS. It was a general ledger.

Mr. COSTA. A general ledger, pre-April 7?

Mr. FELLOWS. Yes, sir.

Mr. COSTA. And that would also be with the O'Connor law firm?

Mr. FELLOWS. That is correct.

Mr. COSTA. During the campaign, are you aware of who had responsibility for the recordkeeping for the committee, the accounting processes for the committee?

Did one individual have that responsibility?

Mr. WALTERS. This is post-April 7?

Mr. COSTA. Post-April 7.

Mr. FELLOWS. I believe there were several girls that had basic responsibility for the recordkeeping. Paul Thatcher had ultimate responsibility.

Mr. COSTA. Do you recall the name Rich Goodrich?

Mr. FELLOWS. Rich Goodrich is a certified public accountant obtained by the committee on a consulting basis.

Mr. COSTA. What functions did he provide for the committee?

Mr. FELLOWS. I believe Mr. Goodrich established the original system, and I think he monitored the system throughout the campaign.

Mr. COSTA. Who had responsibility for the recordkeeping pre-April 7, do you know?

Mr. FELLOWS. No.

Mr. COSTA. I would like to get into a little bit more detail on the $57,000 loan.

Are you aware of what I am talking about?

Mr. FELLOWS. Yes.

Mr. COSTA. Could you describe how the loan was made or received, et cetera, and how the money was used?

Mr. FELLOWS. The loan was made on the strength of marketable securities contributed to the committee and then pledged against a short-term loan. The loan was made by the National City Bank of Minneapolis for a period, I believe, of 10 days, and the proceeds were used to, I guess the best term is to buy back some bad checks in West Virginia, and the remainder of the proceeds were used for general campaign purposes.

Mr. WALTERS. When you say bad checks, you mean checks returned for nonsufficient funds?

Mr. FELLOWS. There were some checks returned for nonsufficient funds in West Virginia right before the West Virginia primary. These checks were redeemed with cash over the weekend.

Mr. COSTA. Getting back to the loan itself, you mentioned marketable securities.

Whose securities were used as a pledge?

Mr. FELLOWS. I do not recall the name of the company.

Mr. WALTERS. They were the committee's securities, I thought you said?

Mr. FELLOWS. They were given to the committee.

Mr. COSTA. By whom were they given?

Mr. FELLOWS. A gentleman by the name of Clarence Quigley donated the securities to the committee, and the securities had a fair market value of approximately $72,000.

Mr. COSTA. Could you explain the procedure that the committee went through in obtaining the loan, how the security was negotiated with the National City Bank and who were the people involved, or companies?

Mr. FELLOWS. Well, the securities were in the name of, to the best of my recollection, were—it was the name of Jackson & Co., which was the nominee for the committee, Jackson & Co.

The committee then went to the National City Bank, requested a loan in the amount of $57,000, and pledged the securities in the name of Jackson & Co. against the loan. I believe there was also an agreement on a guaranteed sale of the securities, which the bank accepted as additional collateral.

Mr. COSTA. Could you explain Jackson & Co.—how they acted for the committee, why Jackson & Co. was the nominee, as opposed to an individual acting for the committee, just for my own edification?

Mr. FELLOWS. I am not sure that I can respond to the question. Jackson & Co. in all instances was used as the nominee strictly for the sale of securities donated to the committee.

Mr. COSTA. That was the purpose of Jackson & Co.?

Mr. FELLOWS. The only purpose.

Mr. COSTA. The only purpose, OK.

Getting back to the use of the proceeds of the $57,000 loan, you mentioned repurchase of checks in West Virginia.

Can you think of any other reasons for the—or any other uses for those funds?

Mr. FELLOWS. Yes. I believe approximately $7,000 was taken to California to cover some expenditures in California, some hotel bills; and Mr. Chestnut, I believe, took it out to California. The remainder of the proceeds were deposited in the National Bank of Washington and the D.C. National Bank.

Mr. COSTA. Based upon your review of the records, could it be determined to what use Mr. Chestnut used the $7,000 or whatever it is that he got in California?

Mr. FELLOWS. It was used to pay hotel bills and other committee expenses incurred in California.

Mr. COSTA. Did Mr. Chestnut deposit those proceeds in an account of the committee, or did he make cash disbursements?

Mr. FELLOWS. I believe he made cash disbursements in this instance.

Mr. COSTA. Based upon your review of the records, could you deter-

mine any large cash disbursements made by the committee? Large, again, disbursements in excess of $1,000?

Mr. WALTERS. Per individual disbursement you mean?

Mr. COSTA. Were you able to make any determination on that issue?

Do any large disbursements of cash stick out in your mind?

Mr. FELLOWS. There were several disbursements of cash, all of which we substantiated through affidavits and other supporting documents to the satisfaction of the General Accounting Office.

Mr. COSTA. Could you get into some of those disbursements? Could you list some?

Mr. FELLOWS. There was—I am trying to recall specifically—there was a $7,000 cash disbursement Mr. Chestnut made in California, a series of disbursements. There was the $17,000 cash disbursement Mr. Barrie made in West Virginia to reclaim the bad checks; there was a $30,000 transfer to Mr. Bregman in Indiana for use in campaign expenditures.

Mr. COSTA. Could you explain that transaction?

Mr. FELLOWS. Well, I cannot explain it any further than what we indicated in the affidavit supplied to the General Accounting Office. And to the best of my recollection, it was used for various campaign expenditures in Indiana prior to the primary in Indiana, at a time where the main committee was having difficulties in checks not being honored because of insufficient funds.

Mr. COSTA. Did you say that was a transfer to Mr. Bregman or from Mr. Bregman?

Mr. FELLOWS. From Mr. Bregman.

Mr. COSTA. What was the source of funds?

Mr. FELLOWS. The source of funds was a loan in the amount of $30,000.

Mr. COSTA. Where was the loan taken out and by whom?

Mr. FELLOWS. The loan was taken out by the committee. It was loaned to the committee by Mr. Walters.

Mr. COSTA. Mr. Walters.

Mr. FELLOWS. That, too, was a short-term loan. Mr. Walters was repaid, I think, by December 1972.

Mr. SANDERS. Is this Mr. Joe Walters you are talking about?

Mr. FELLOWS. Yes.

Mr. COSTA. That is about all the questions that I have.

Mr. SANDERS. OK. I have some. At the time that you commenced this responsibility to audit the Humphrey records in April of 1973 were you salaried by the Humphrey committee?

Mr. FELLOWS. No. I was salaried by the O'Connor law firm.

Mr. SANDERS. Are you still under that salary arrangement?

Mr. FELLOWS. That is right.

Mr. SANDERS. Have you, in addition to that, received any compensation from any Humphrey campaign committee?

Mr. FELLOWS. No, sir.

Mr. SANDERS. During this time of retention by the O'Connor law firm, have you received any compensation from the National City Bank of Minneapolis?

Mr. FELLOWS. No, sir.

Mr. SANDERS. At the time you left the bank what position did you hold?

Mr. FELLOWS. Senior vice president.
Mr. SANDERS. How long had you been in that position?
Mr. FELLOWS. As senior vice president?
Mr. SANDERS. Yes.
Mr. FELLOWS. Approximately 4 months?
Mr. SANDERS. And were you with the bank before that time?
Mr. FELLOWS. Yes, in the capacity of vice president in controlling.
Mr. SANDERS. Without regard to the position held, how long have you been with the bank?
Mr. FELLOWS. Since April of 1967.
Mr. SANDERS. Are you under an arrangement of leave whereby you will be restored to a position at the bank when you have completed this assignment?
Mr. FELLOWS. I hope to; yes.
Mr. SANDERS. I believe you said that the bank is owned by, or primarily owned by the Independent Bancorporation of which Paul Thatcher is president?
Mr. FELLOWS. No. He is executive vice president, I believe.
Mr. SANDERS. Who is president of the National City Bank in Minneapolis?
Mr. FELLOWS. Edward C. Brown.
Mr. SANDERS. And who is chairman of the board?
Mr. FELLOWS. Mr. C. Bernard Jacobs.
Mr. SANDERS. With respect to the National City Bank of Minneapolis or the Independent Bancorporation, to your knowledge, have the chief executive officers or the chairman of the board made contributions to the Humphrey campaign in 1972?
Mr. FELLOWS. Not to my knowledge.
Mr. WALTERS. What was that question again?
Mr. SANDERS. With respect to the National City Bank and the Independent Bancorporation, have the chief executive officers or the chairman of the board made contributions to the Humphrey campaign in 1972?
Mr. FELLOWS. Not to my knowledge, no.
Mr. SANDERS. Is independent Bancorporation an affiliate or a subsidiary of still another corporation?
Mr. FELLOWS. It is a wholly owned subsidiary of Archer-Daniels Midland Co.
Mr. SANDERS. Of which Mr. Andreas is—What is his position?
Mr. FELLOWS. Chief executive officer.
Mr. SANDERS. Did you make any personal contribution to the Humphrey campaign or did any member of your immediate family?
Mr. FELLOWS. No, sir.
Mr. SANDERS. Before we go over 1973, did you perform any services, voluntary or paid, for the Humphrey campaign?
Mr. FELLOWS. No, sir.
Mr. SANDERS. Specifically, who was it that asked you to undertake this responsibility to conduct an audit?
Mr. FELLOWS. Mr. Paul Thatcher requested that I conduct the audit. The original request was not a request to conduct an audit. The original request was to review the records as to their adequacy to substantiate the audit which was to commence on June 1.
Mr. SANDERS. Was it known in April that a GAO audit was to commence on June 1?

Mr. FELLOWS. There was an indication that the GAO was coming in to audit the records. I do not believe there was a specific date at that time. I believe the original indication was that the GAO would come in prior to June 1, and that this was pushed back at our request.

Mr. SANDERS. I do not believe we had this statement for the record that you are a certified public accountant.

Mr. FELLOWS. That is correct. Yes, sir.

Mr. SANDERS. Have you been working full time on this project?

Mr. FELLOWS. Yes, sir.

Mr. SANDERS. Do you have any staff assisting you?

Mr. FELLOWS. No, sir.

Mr. WALTERS. Mr. Fellows, when you stated that Mr. Thatcher requested that you conduct the audit, would it be a better statement to say that Mr. Thatcher requested that our firm arrange for the audit, and if possible, to see if we can work out an arrangement with you?

Mr. FELLOWS. That is correct.

Mr. WALTERS. Your directions came from our firm, did they not?

Mr. FELLOWS. Yes.

Mr. SANDERS. Is there any one attorney within the firm with whom you have been coordinating your project principally?

Mr. FELLOWS. There would probably be three—Mr. O'Connor, Mr. Walters, and Mr. Walls.

Mr. SANDERS. It is my understanding that the opening balances which were shown in reports of GAO for beginning the period of April 7, 1972, did not include the sum of some $20,000 that was in a bank in Minneapolis.

Are you familiar with this circumstance?

Mr. FELLOWS. Yes, I am.

Mr. SANDERS. Could you explain that; that is, where it was situated and why it was not included?

Mr. FELLOWS. Well, the initial—or the committee, to the best of my recollection, the committee intended originally to pay some bills which had been incurred prior to April 7, 1972, with the funds which were located in the bank in Minneapolis. Through some clerical error this was not done until April 16, although the bills and the liabilities were incurred prior to April 7, 1972, and there were instructions to pay those bills with the funds prior to the April 7 cutover.

This was not done, so from a technical standpoint we had to include this as an April 7 balance and properly reflect as expenditures on the proper date.

Mr. SANDERS. Who gave you the information or understanding concerning the intended use of those funds?

How did you learn that they were to be used to pay pre-April 7 bills?

Mr. FELLOWS. I believe Mr. Thatcher indicated this to me.

Mr. SANDERS. What documentation, if any, was shown to you in support of this?

Mr. FELLOWS. I reviewed the invoices that were paid. They indicated expenditures which arose in periods prior to April 7, 1972.

Mr. SANDERS. And do you recall the approximate total of those invoices?

Mr. FELLOWS. Approximately $19,000, to the best of my recollection.

Mr. SANDERS. And where would those invoices be today?

Mr. FELLOWS. They would be in the files, committee files.

Mr. SANDERS. With the O'Connor firm?

Mr. FELLOWS. That is correct.

Mr. SANDERS. Well, as of April 7 did you feel assured in your mind that there was approximately $19,000 cash available in this bank to pay those invoices?

Mr. FELLOWS. Yes; that is correct.

Mr. SANDERS. What bank was that?

Mr. FELLOWS. National City Bank.

Mr. SANDERS. Was there more than one account in the National City Bank?

Mr. FELLOWS. There were several accounts.

Mr. SANDERS. Then why were these bills not paid before April 7?

Mr. FELLOWS. Through some clerical error.

Mr. SANDERS. Can you be any more specific?

Mr. FELLOWS. They forgot to pay them.

Mr. SANDERS. Do you know who and why?

Mr. FELLOWS. The individual responsible for that account was LaDonna Hagan. I do not know the reason why she did not do it.

Mr. SANDERS. Were these unpaid invoices totaling about $19,000 general invoices for all manner of services and goods, or were they a particular kind?

Mr. FELLOWS. No. They specifically were travel expenses incurred during the period prior to April 7. I might add that to the best of my knowledge the General Accounting Office has reviewed them, and it has met their test.

Mr. WALTERS. I did not hear that.

Mr. FELLOWS. The General Accounting Office has reviewed the invoices and the records in connection with these transactions, and it has met their test.

Mr. SANDERS. When, in fact, were these bills paid? During what approximate period of time?

Mr. FELLOWS. I believe during April 16, to the best of my recollection.

Mr. SANDERS. And was it not until the summer of 1973 that the amended report was filed in respect to this unreported sum?

Mr. FELLOWS. That is correct. Mr. Thatcher indicated to me that he always assumed that the bills had been paid prior to April 7.

Mr. SANDERS. Did you learn of any bank accounts or sums of money on hand as of April 7 which were not reported, other than this one in the National City Bank?

Mr. FELLOWS. I believe the committee initially reported a zero balance as of April 7, 1972; and at the conclusion of our audit and examination we compiled a balance of approximately $25,000.

Mr. SANDERS. Did it consist virtually of funds in the National City Bank, virtually all of that $25,000?

Mr. FELLOWS. I think it consisted of that $20,000. It also consisted of an overdraft in some other bank accounts, and it consisted of some marketable securities held as of April 7 but not sold until after April 7.

Mr. SANDERS. In receiving your assignment for this project was it made known to you your responsibility was for the post-April 7 period?

Mr. FELLOWS. Yes. sir. That is correct.

Mr. SANDERS. Did you specifically understand that you were not expected to assume any responsibility over the pre-April 7 period?

Mr. FELLOWS. That is correct.

Mr. SANDERS. I know you have answered in response to Mr. Costa's question—you have itemized some of the pre-April 7 records which you have found still in existence. You mentioned checkbooks in the National Bank of Washington, bank statements, some cash receipts and disbursements reports. Are there no checkbooks remaining from the Minneapolis bank accounts?

Mr. FELLOWS. There could be.

Mr. SANDERS. You have no recollection of seeing them?

Mr. FELLOWS. I do not believe they used a checkbook in the Minneapolis bank. They had a voucher system.

Mr. SANDERS. I am not familiar enough with banking procedures to understand how that can work. Is that a legally permissible arrangement?

Mr. FELLOWS. Well, as opposed to a checkbook where you tear the check out, the accounts were maintained or the checks were written on a voucher check. It did not have a check stub attached to it. The balance in the account was reflected on other records, such as a cash receipt disbursement journal of some type.

Mr. SANDERS. Do you know why such a system would have been used in preference to the customary check withdrawal?

Mr. FELLOWS. Well, the voucher system normally would result in better control over the expenditures in that you have copies of the checks that you have written. A voucher system normally contained two to three copies of the checks which are maintained at the office.

Mr. WALTERS. The voucher system is made up of checks. It is just not the typical check with a perforated check stub.

Mr. SANDERS. Well, would there be in existence today copies of the vouchers of pre-April 7?

Mr. FELLOWS. I would have to assume if there were, that there were.

Mr. WALTERS. If you know. He is asking you if you know.

Mr. FELLOWS. I do not know.

Mr. SANDERS. Well, it was represented to me by Paul Thatcher that the pre-April 7 finance records were transported to Minneapolis and destroyed. It sounds to me like you enumerated quite a few which may still be in existence at the O'Connor firm. Have you ever talked with Paul Thatcher about the existence of pre-April 7 financial records?

Mr. FELLOWS. Yes. I have talked to him and indicated to him that the records which are now in existence are not substantial enough to reconstruct what really happened during that period of time in my opinion.

Mr. SANDERS. But nevertheless, some exist. Did you ever represent to him that there were no pre-April 7 records?

Mr. FELLOWS. No.

Mr. SANDERS. Do you know whether anyone else represented to him that there were no pre-April 7 financial records?

Mr. FELLOWS. I do not know.

Mr. SANDERS. Do you have any information at all which might give some indication as to why he would say there were none in existence?

Mr. FELLOWS. Because of the inadequacy of the records. The records which exist, which consist of checkbooks, are not adequate

enough to reconstruct the transactions which occurred during this period of time.

Mr. SANDERS. Inasmuch as the project which was assigned to you apparently had no pre-April 7 dimension to it, why did you make an evaluation as to whether the pre-April 7 records could be reconstructed?

Mr. FELLOWS. At the time of the original request by your committee for information—pre-April 7 information, I did take a look at what existed, and made the determination that based on the records which existed, there could be no reconstruction to the satisfaction of the request that you had made, or this committee had made.

Mr. SANDERS. Could you give a little further explanation of what—or a little further explanation of the cash receipts and disbursements reports which you mentioned are still in existence?

Mr. FELLOWS. They show a beginning balance on total receipts received and total disbursements made, and then a cash balance.

Mr. SANDERS. No itemization?

Mr. FELLOWS. No, sir.

Mr. SANDERS. On what periods are those based?

Mr. FELLOWS. I don't believe they are complete, but they run from January 1972 through March 1972.

Mr. SANDERS. Are there none for the 1971 period to your recollection?

Mr. FELLOWS. No, sir. Not to my recollection.

Mr. SANDERS. Have you ever examined records of the Humphrey campaign for the Presidency in 1972 which indicate the initial funds available for the campaign for the very earliest period?

Mr. FELLOWS. Would you repeat that question?

Mr. SANDERS. What is the earliest financial records you have seen showing funds available to the Humphrey campaign for 1972?

Mr. FELLOWS. I believe when the committee came into existence in January of 1972.

Mr. SANDERS. Did it begin with a zero balance, or did it begin with some net worth?

Mr. FELLOWS. I don't recall.

Mr. SANDERS. Do you have any knowledge of the source of any funds with which the committee commenced its operations in January of 1972?

Mr. FELLOWS. I have knowledge of some contributions from Mr. Andreas.

Mr. SANDERS. Is that before January 1972 or in January 1972?

Mr. FELLOWS. I do not recall.

Mr. SANDERS. Do you know the size of that?

Mr. FELLOWS. I do not recall exactly.

Mr. SANDERS. Is it more than $10,000?

Mr. FELLOWS. Yes.

Mr. SANDERS. Is it more than $100,000?

Mr. FELLOWS. I cannot recall. I believe it was approximately $100,000. I believe in each instance they have always been, at least in respect to Mr. Andreas, they have been subject to gift tax return.

Mr. SANDERS. Would they have been divided up into $3,000 packages, do you know?

Mr. FELLOWS. No. I do not know.

Mr. SANDERS. When you speak of this contribution, in or around January 1972 from Mr. Andreas, would this have been from him individually or, in addition, from some members of his family?

Mr. FELLOWS. I believe it was from him individually.

Mr. WALTERS. Do you know?

Mr. FELLOWS. I do not recall specifically.

Mr. SANDERS. Do you know whether this $100,000 or this contribution by Mr. Andreas, at or about the commencement of the Humphrey campaign, whether that sum of money contributed was reimbursed to him in any manner by assets of the corporation of which he was chief executive officer?

Mr. FELLOWS. Not to my knowledge.

Mr. SANDERS. Or by another corporation in which he has a financial interest?

Mr. FELLOWS. No, sir.

Mr. WALTERS. When you say, no, sir, you mean not to your knowledge was he reimbursed by any corporation in which he has financial interest or any other corporation? Is that what you are saying?

Mr. FELLOWS. Yes.

Mr. SANDERS. Do you have knowledge of any system by any corporation whereby bonuses were made available to the executive officers, or funds made available to them in any other way, which they in turn were expected to contribute to the Humphrey campaign?

Mr. FELLOWS. To my personal knowledge?

Mr. SANDERS. Yes.

Mr. FELLOWS. No, sir.

Mr. SANDERS. Or did you become aware of any such system through a review of the Humphrey records?

Mr. FELLOWS. No, sir.

Mr. SANDERS. Have you learned of any such system as a result of discussion with any other persons affiliated with the Humphrey campaign?

Mr. FELLOWS. No, sir.

Mr. SANDERS. To your knowledge, were any obligations incurred for services or goods furnished to the Humphrey campaign submitted for payment to any corporations for payment from corporate assets?

Mr. FELLOWS. Not to my knowledge; no, sir.

Mr. SANDERS. With regard to post-April 7 records, you have stated that there was no cash receipts journal in the customary sense, but the information was available to you from the computer system.

Mr. FELLOWS. Yes, sir. In addition to that, they maintained receipt forms which they completed upon the receipt of the funds.

Mr. SANDERS. Was there one form filled out for each contributor?

Mr. FELLOWS. There was a contribution receipt and a miscellaneous receipt.

Mr. WALTERS. What were those two again?

Mr. FELLOWS. Contribution and miscellaneous.

Mr. SANDERS. Are these maintained in some numerical or chronological system?

Mr. FELLOWS. They were maintained in a numerical and alphabetical file.

Mr. SANDERS. I did not quite get a clear understanding of the question and answer concerning a safe-deposit box maintained by the Humphrey campaign. Do you know whether any committee of the

Humphrey Presidential effort in 1972 maintained a safe-deposit box?

Mr. FELLOWS. Not to my knowledge.

Mr. SANDERS. You made mention of the accounting for the $2,000 cash contributed by John Loeb, and my understanding is that he, in fact, did contribute about $2,000 cash in the first part of May, and that this sum was—that a $2,000 sum was deposited to a Humphrey account in the first part of June. Is that correct?

Mr. FELLOWS. That is correct.

Mr. SANDERS. Can you state what bank it was deposited to?

Mr. FELLOWS. I believe the D.C. National Bank.

Mr. SANDERS. Did you, in your examination of the records or in talking with any employees, acquire any explanation for the delay in the deposit?

Mr. FELLOWS. On my examination I was not concerned with the receipt of funds as I was with the deposit of funds. And I do not believe I ever raised a question about any time lapse.

Mr. SANDERS. Well, from your overall examination of the records does it appear that this was a usual delay in deposits, or was this an inordinate period?

Mr. FELLOWS. Based on the normal procedure, it was an unusual delay. With the exception of those items which I indicated earlier as cash deposits, the remainder of the deposits consisted of checks which were normally deposited on the day that the checks were received.

Mr. SANDERS. Did you find any documentation indicating what had been done with this $2,000 between the time it was received and the time it was deposited?

Mr. FELLOWS. No. I have never raised a question of it. I found no documentation about it.

Mr. SANDERS. Do you know of any explanation?

Mr. FELLOWS. No, sir. I do not.

Mr. SANDERS. With regard to the cash expended in West Virginia to cover nonsufficient funds checks, did you personally observe the checks which were returned for nonsufficient funds?

Mr. FELLOWS. The checks that were returned for nonsufficient funds that were purchased with the cash were not returned to the committee.

Mr. SANDERS. Do you know what happened to them?

Mr. FELLOWS. No, sir. I do not.

Mr. SANDERS. Presumably they would have been checks issued—well, they could have been issued by some State committee, I suppose. Do you know whether they were issued by a State or National committee?

Mr. FELLOWS. They were issued by the national committee out of an account designated committee for the nomination of Hubert H. Humphrey, West Virginia.

Mr. SANDERS. That is maintained here in the Washington, D.C., headquarters?

Mr. FELLOWS. Yes; at the National Bank of Washington. The checkbook was maintained in the field by the individuals responsible in the West Virginia primary. The funds were transferred into the account at the National Bank of Washington by the main committee, but the expenditures were made by check by the staff members in the field.

Mr. SANDERS. Do you know who at the party drew on that account?

Mr. FELLOWS. No, I do not recall. No, sir.

Mr. SANDERS. Well, did you feel assured that—well, let me rephrase that. How did you feel assured that checks in the amount of about $17,000 had in fact been issued?

Mr. FELLOWS. The checkbook indicated that the check had been issued and that amount had been returned by the bank for nonsufficient funds, and indeed, it never cleared the bank.

Mr. SANDERS. You examined the checkbooks and saw that three were stubs to that effect?

Mr. FELLOWS. There were stubs to that effect. I believe the bank statements indicated the account was charged and subsequently credited upon return of the check for nonsufficient funds and the reconciliations indicated that each check was still outstanding.

Mr. SANDERS. Why would the checks not have been returned?

Mr. FELLOWS. The checks were returned to the individual receiving the check.

Mr. SANDERS. You mean the payee?

Mr. FELLOWS. Yes. As any check would be. If you received a check from me, and that check subsequently was returned for nonsufficient funds, it would go back to you to collect on that particular one.

Mr. SANDERS. Well, when this payee was paid a sum of cash equivalent to the face of the check, was the check not recovered?

Mr. FELLOWS. It should have been recovered. It was not, to the best of my knowledge. We made an attempt to find out what happened to these checks and were unsuccessful; and as a result, we obtained affidavits from the individuals handling the transactions in order to satisfy the General Accounting Office.

Mr. SANDERS. How did you assure yourself that finally you knew of all funds on hand for all Humphrey committees as of April 7?

Mr. FELLOWS. We used the banks to go in the audit of not only the April 7 balance, but also other receipts and disbursements subsequent to April 7; that the basic assumption was that all funds were deposited in banks, and then all funds were disbursed out of the bank with some exceptions that we were aware of. But in all cases the funds—I would say in most cases the funds were either received in a bank and disbursed out of that bank.

Mr. SANDERS. What banks did you use for your control?

Mr. FELLOWS. Well, the Humphrey committee early in the campaign decided to consolidate all of the regional local committees throughout the country; therefore, we had a number of bank accounts, and I believe the final figure was approximately 65 bank accounts throughout the country. Each bank account was audited from a receipt and disbursement standpoint and an April 7 balance standpoint.

Mr. SANDERS. Was that list of banks furnished to you by Paul Thatcher?

Mr. FELLOWS. No; that was developed throughout the course of the audit.

Mr. SANDERS. At some point in time, I presume you made known to Thatcher what appeared to you to be the final list of banks and to ascertain whether, to the best of his knowledge, it was complete?

Mr. FELLOWS. Mr. Thatcher had to sign an affidavit to satisfy the General Accounting Office that those were, to the best of his knowledge, the banks involved in the committee activities.

Mr. SANDERS. The recent GAO report which criticized the Humphrey campaign for failure to account for several hundred thousand dollars worth of receipts and disbursements, we do not have the time now to go into that in any depth.

But just as an overview, how would you best explain the failures to report those sums?

Mr. WALTERS. Just a moment. I think a correct statement of that report, Mr. Sanders, is not that they failed to account for it, but they failed to report it in a timely fashion.

Mr. SANDERS. I will agree with that.

Mr. WALTERS. Ultimately it was accounted for.

Mr. SANDERS. Right.

Mr. FELLOWS. Well, just as an overview, the errors and omissions were a result of either clerical errors or breakdowns in the system.

Mr. SANDERS. My general understanding is that post-April 7, the Humphrey committee received approximately $3 million.

Mr. FELLOWS. That is correct.

Mr. SANDERS. Substantially correct. So if they failed to account for nearly $500,000 in receipts— it was $400,000 something, I believe.

Mr. FELLOWS. That is correct.

Mr. SANDERS. We are talking about one-sixth of their receipts. Does that seem like an inordinate sum not to fail to account for and to report?

Mr. FELLOWS. On the surface it does. I think you have to evaluate their decision, which to the best of my knowledge, it was unique among all Presidential candidates, and that was to file a consolidated report of all committees; all regional, local, and State committees into one Humphrey committee. And this was Mr. Thatcher's desire, to comply with what he felt was the spirit of the act, and that was to provide the public with one report indicating the receipts and disbursements of the Humphrey campaign operation in total.

And to do this, he was totally dependent upon the reporting receipts and disbursements by regional committees in the field over which he had no direct control. As an example, a regional committee in Los Angeles, Mr. Thatcher would not have direct knowledge of contributions. He did not solicit. He did not collect. He did not deposit it in the bank. He would not have direct knowledge of any disbursements that were made, as he did not write the check and he did not see the bank account that the check was drawn upon.

Therefore, in an analysis the errors and omissions of receipts and disbursements, the bulk of those errors were generated out of the regional committees, either failure of their reporting or loss of reports in transit, or loss of the reports in the Humphrey operation on transactions which the national committee had no direct control or direct knowledge of.

Mr. WALTERS. I think the witness has something to add.

Mr. FELLOWS. There were several large wire transfer items, contributions received by wire transfer; and the system, as Mr. Costa knows, was not equipped to handle a wire transfer. A document was not triggered by a wire transfer as it was by the receipt of a check.

I believe in the total errors and omissions on receipts—for example, the national committee accounted for approximately $90,000 of that total. Out of the $90,000, I believe, some $80,000, to the best of my recollection, were represented by wire transfers.

And if you exclude the regional committees' failure to report and the wire transfer items, you get a very commendable record by the national committee. And I cannot emphasize the fact any stronger that the committee in attempting to comply with what they felt the spirit of the act was, took on a task that was insurmountable. It was impossible to perform.

Mr. SANDERS. Do you have any concept of what proportion of the funds not reported in a timely fashion consisted of—contributions, individual contributions of $1,000 or more?

Mr. FELLOWS. I have before me an analysis, a brief prepared for the General Accounting Office, which goes into each and every receipt which was not reported.

Mr. WALTERS. In a timely fashion.

Mr. FELLOWS. In a timely fashion.

Mr. SANDERS. Was any analysis made of a proportion of large contributions, those, let's say, of $1,000 or more?

Mr. FELLOWS. We have an itemized list of $456,000 of receipts consisting of 127 items with an explanation of each item.

Mr. SANDERS. The large ones were not collated?

Mr. FELLOWS. The large ones were not collated, but just in going through here——

Mr. SANDERS. That's all right. Let's move on. I want to get out of here in the next couple of minutes. The Andreas contribution at the beginning of 1972, do you know to what account or accounts that was deposited?

Mr. FELLOWS. No, sir, I do not.

Mr. COSTA. Ben, earlier you mentioned a ledger maintained for pre-April 7 activity. Do you recall what the contents of that ledger were?

Mr. FELLOWS. It shows cash balances. It shows the contributions in total for a period of time, I believe a week or 2 weeks, however often they were posted. There is no detail to support that ledger.

Mr. COSTA. When you say cash balances, do they break that down by account?

Mr. FELLOWS. No, they do not. It is consolidated.

Mr. COSTA. And that is now at the O'Connor law firm, that ledger, along with the other information you indicated previously?

Mr. FELLOWS. Yes.

Mr. O'HANLON. How was the $57,000 loan repaid—by the sale of those securities?

Mr. FELLOWS. Yes. Liquidation of the securities held as collateral paid the bank, and the residue was then deposited into the committee account.

Mr. O'HANLON. I believe there was a substantial amount, probably $1 million or so, receipts in which for gift tax purposes it was not distributed among committees. Am I correct in that?

Mr. FELLOWS. Based on the GAO figures, I believe that is correct.

Mr. O'HANLON. Do you have any explanation, or would you go into that?

Mr. FELLOWS. I guess as an explanation—I am not sure it is adequate—I think the committee's feeling was that they were attempting to comply with the Federal Election Act, and in many cases that conflicted with the rulings held by the Internal Revenue Service, particularly in this case.

We felt, or the committee felt that it was their responsibility to report contributions in the aggregate from individuals; that that was the spirit of the act; and their compliance was in the area of the Federal Election Act as opposed to protection of contributors from the Internal Revenue Service.

Mr. O'HANLON. Were these receipts prior to July, do you know, these $1 million?

Mr. FELLOWS. I would guess it would be prior to July.

Mr. O'HANLON. Prior to July.

Mr. SANDERS. I have just got about three or four more questions.

Mr. WALTERS. Just a moment.

Mr. FELLOWS. I might add that from a contributor's standpoint, what was reported to him he may have given in good faith, given checks to separate committees in good faith, assuming that these were separate committees from a mechanical standpoint. As the committee reported and consolidated an aggregate contribution, they ended up in one total for a given individual.

Mr. O'HANLON. I see.

Mr. FELLOWS. The individual may have, in good faith, given to separate committees.

Mr. SANDERS. Other than the contribution by John Loeb, are you aware of any other contributions to the Humphrey committee of $1,000 or more, wherein it was made through an intermediary so that the identity of the donor was protected?

Mr. FELLOWS. Not to my knowledge, no.

Mr. SANDERS. Are you aware of any contribution to any of the Humphrey committees before or after April 7 by an individual donor in the sum of $1,000 or more in the form of cash?

Mr. FELLOWS. No, sir. I am not. I might add my audit was not concerned with whether the receipt came in the form of cash or in the form of a check. We were concerned that it was deposited in the bank and properly reported in the report.

Mr. SANDERS. But nevertheless, it is conceivable that you might have encountered some evidence of such, even though you were not accounting for it?

Mr. FELLOWS. The only evidence that I would have seen would have been an indication on the deposit slip that currency was being deposited as opposed to checks. And I cannot recall that other than the $2,000 on the John Loeb transaction, which I specifically looked up.

Mr. SANDERS. Does the system of maintaining receipt forms not indicate whether the sum received was in the form of cash or check?

Mr. FELLOWS. No, it does not.

Mr. SANDERS. In making some conclusion from your review, have you advised any change in that system?

Mr. FELLOWS. In the internal system?

Mr. SANDERS. Would you recommend that, yes, internally that it should reflect if it was by cash or some other form?

Mr. FELLOWS. No. The form of the contribution was never a concern of mine. I had a lot of recommendations as to the system of reporting or recording the transaction, but never differentiating between cash or checks.

Mr. SANDERS. To your knowledge, in 1971 or in 1972 or 1973 did any of the Humphrey campaign committees receive any funds from

Howard Hughes or any of his intermediaries or any of his corporate entity institutions?

Mr. FELLOWS. Not to my knowledge.

Mr. SANDERS. To your knowledge, did any of the funds which Senator Humphrey is alleged to have received from Howard Hughes or his intermediaries in earlier years carry over into the 1971 and 1972 campaigns? I will try to make that a little clearer.

What I want to know is whether any of the funds which had been alleged to have emanated from Howard Hughes in the 1968 period, whether you observed any indication in your auditing of the records that any funds from the period or those sources were carried over into the 1972 campaign?

Mr. FELLOWS. Not to my knowledge.

Mr. SANDERS. That will conclude the interview.

Mr. WALTERS. Mr. Sanders, what is the status of our ability to get a transcript for Mr. Fellows' testimony here?

Mr. SANDERS. As you may have observed from the rules, inasmuch as this is an executive session, the transcript cannot be released without a vote of the committee. I could make a transcript of this available to you for examination within our space if you want to review it, or state any exceptions you take to the faithfulness of the transcription. But because it is an executive session, I cannot give you a copy or even make it available for purchase.

Mr. WALTERS. Well, I think we would like to do that in due time, to be able to have an opportunity to come in and look at it, to check its accuracy. And second, what has been the policy of the committee about making these available upon request?

Mr. SANDERS. To my knowledge, the committee has not made it available, any executive session transcripts. Where we have simply had a staff interview, question and answers recorded, we have done that. But to my knowledge the committee has not with the executive session, nor have they been asked to. Now, if you want to submit a letter request to this effect, I will pass it on.

Mr. WALTERS. You suggest that this be initiated by a letter to you requesting the committee to permit me to purchase at my expense a copy of this?

Mr. SANDERS. Anything else you want in the record? That is the end.

[Whereupon, the hearing in the above-entitled matter was adjourned at 1:05 p.m.]

WEDNESDAY, OCTOBER 24, 1973

U.S. SENATE,
SELECT COMMITTEE ON PRESIDENTIAL
CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice at 5 p.m., in room 334, Dirksen Senate Office Building.

Present: Donald G. Sanders, deputy minority counsel; Lacy Presnell and Bruce Quan, research assistants; Richard O'Hanlon and James Elder.

Mr. SANDERS. Mr. Cole, will you please state your full name, your home address, and business address.

STATEMENT OF JOSEPH E. COLE; ACCOMPANIED BY JOSEPH CALIFANO AND RICHARD COOPER, COUNSEL

Mr. COLE. Joseph E. Cole, 8595 Parkland Drive, Shaker Heights Ohio. Business address is 5777 Grant Avenue, Cleveland, Ohio.

Mr. SANDERS. What is your business association?

Mr. COLE. I am chairman of the board of Cole National Corp.

Mr. SANDERS. Is that in Cleveland, Ohio.

Mr. COLE. Yes.

Mr. SANDERS. In Cleveland proper?

Mr. COLE. Yes.

Mr. SANDERS. The name of the firm again?

Mr. COLE. Cole National Corp.

Mr. SANDERS. What is the primary business activity of that firm?

Mr. COLE. Consumer product merchandising company.

Mr. SANDERS. You are chairman of the board, did you say?

Mr. COLE. Yes.

Mr. SANDERS. Do you also own a majority of the stock of that firm?

Mr. COLE. Not a majority, no.

Mr. SANDERS. Are you a member of the board or chief executive officer of any other corporations?

Mr. COLE. I am a member of the board.

Mr. SANDERS. Of a number of corporations?

Mr. COLE. Quite a few.

Mr. SANDERS. Any banking institutions in Cleveland?

Mr. COLE. Banking institutions.

Mr. SANDERS. How many in Cleveland?

Mr. COLE. One.

Mr. SANDERS. Would you identify that?

Mr. COLE. Capital and National Bank.

Mr. SANDERS. Are you the chairman of the board of Capital?

Mr. COLE. Chairman of the board of Capital and National.

Mr. SANDERS. Did you provide any service to the Presidential effort of Senator Humphrey in 1972?

Mr. COLE. Yes.

Mr. SANDERS. In what respect?

Mr. COLE. I raised money for him. I fundraised.

Mr. SANDERS. Did you have an officially designated title in the campaign? Were you the finance director, the finance chairman?

Mr. COLE. I think finance chairman was what they called me.

Mr. SANDERS. Beginning at what time did you assume the duties of that position?

Mr. COLE. I do not recall exactly. I think it probably was in March. It was after they had formulated and been operating for a while. I believe it was in March or April.

Mr. SANDERS. Did you serve in the Humphrey campaign in any capacity before that time?

Mr. COLE. No, not that I recall.

Mr. SANDERS. By what means did you come to undertake that position?

Mr. COLE. Well, a group of the Humphrey people were in Cleveland around that time. I think there might have been a Humphrey event in Cleveland, and I was present. And a group of the fellows who were at that time running the campaign asked me if I would join up and help them raise money.

Mr. SANDERS. Did you serve in any capacity for Senator Humphrey in 1971?

Mr. COLE. Not that I recall.

Mr. SANDERS. Did you assist in his campaign in 1968?

Mr. COLE. I assisted in his campaign in 1968.

Mr. SANDERS. In a fundraising capacity?

Mr. COLE. I would say so.

Mr. SANDERS. Are you personally acquainted with Senator Humphrey?

Mr. COLE. Yes.

Mr. SANDERS. Did he speak to you prior to the time you agreed to take the position of finance chairman? Did he speak to you about taking the job?

Mr. COLE. Prior to that? On that subject?

Mr. SANDERS. Yes, sir.

Mr. COLE. I do not recall.

Mr. SANDERS. In the position of finance chairman, were you directly responsible to Senator Humphrey?

Mr. COLE. I just really do not know who I was responsible to. It was not a well-organized thing. I am not sure that I was really responsible to anybody.

Mr. SANDERS. Who was the campaign chairman or director?

Mr. COLE. Oh, I guess Jack Chestnut.

Mr. SANDERS. Would you say that you had some responsibility to him?

Mr. COLE. Well, it is hard to say. It was very loosely organized, though. Maybe you can interpret it that way. It was very loosely organized. It never became a matter of discussion, really. It was not organized or clearly defined.

Mr. SANDERS. Beginning in March, would you say you were the senior official in the area of finance for the campaign?

Mr. COLE. I do not know what you mean by area of finance. I was devoted exclusively——

Mr. SANDERS. In the fundraising.

Mr. COLE. I was devoted exclusively to fundraising, but there were other fellows involved that were doing as much and as well or even better.

Mr. SANDERS. Were they operating under your supervision or coordination?

Mr. COLE. In association with me. I would say.

Mr. SANDERS. And who or what other key officials were doing this work in that campaign?

Mr. COLE. Not that they were official people, but Gene Wyman in California, and that type of thing, Phil Dogle in Philadelphia. We worked as coequals, among equals, whatever.

Mr. SANDERS. Do you know who performed your duties or duties similar to yours prior to March?

Mr. COLE. Well, I do not really know. I do not think they really had a coordinated effort. I think that is what the problem was. It was mostly between Gene Wyman and Dogle in Philadelphia, and they were having a problem of coordination. That is why they asked me to come in, I guess.

Mr. SANDERS. How long did you remain as finance chairman?

Mr. COLE. Till we finished the—till Humphrey was through in Miami, whenever that was.

Mr. SANDERS. At the time of the convention?

Mr. COLE. Yes.

Mr. SANDERS. After the convention, did you render any services to any of the Humphrey committees?

Mr. COLE. I do not think I rendered any specific services?

Mr. SANDERS. Are you serving in any capacity today?

Mr. COLE. No.

Mr. SANDERS. Did your services cut across the board for all Humphrey campaign committees, or was there one principal committee for which you served?

Mr. COLE. I really do not know. I was not familiar with the committee organization as to more than one, or what was involved. I had no intimate knowledge of it.

Mr. SANDERS. Is your recollection so vague on the identity of the committees that you could not even today name the principal Humphrey campaign committees?

Mr. COLE. It is not vague. I did not know what the existence was then, and I still do not know now. All I know is I was helping the Humphrey for President Committee.

Mr. SANDERS. Do you know the formally designated titles of the principal campaign committees?

Mr. COLE. I do not know, no.

Mr. SANDERS. Did you maintain a campaign office?

Mr. COLE. I shared an office with a group of people here in Washington.

Mr. SANDERS. Where was that located?

Mr. COLE. I cannot tell you the street. It was a Humphrey headquarters.

Mr. SANDERS. Was it the principal Humphrey headquarters in Washington?

Mr. COLE. Yes, yes.

Mr. SANDERS. Was it regarded by you as a finance office?

Mr. COLE. The office was in existence before I came there, and used by three or four people, the deputy campaign manager and other people involved in the financing of the campaign. It was one little office, and it was in use when I came there, and when I was there I used it.

Mr. SANDERS. Was this in the same general area occupied by Paul Thatcher?

Mr. COLE. Yes.

Mr. SANDERS. Did you have immediate staff support? Did you have secretarial or clerical assistance?

Mr. COLE. No, I think in connection with that office there was one, maybe two, girls working there, but they were working for the people that were there before I was there. I did not have too much use for anybody other than an occasional letter writing.

Mr. SANDERS. Who did you use for a secretary?

Mr. COLE. What is that girl's name? Mary Bernard? I used her a little bit.

Mr. SANDERS. Did you have a deputy or deputies, assistants to you as finance chairman?

Mr. COLE. There were helpers around. I do not think they were designated. I do not recall that they had any specific titles. I recall there were very many. I worked with Thatcher, some fellow from California that was in there before I got there, who we worked with a little bit by the name of David Marks. And other than these other fellows spread around the country, I think that pretty much would make up who was in the office, that might be working on that department.

Mr. SANDERS. I would assume as a fundraiser that the tools of your trade, so to speak, would have been the identities of contributors, previous contributors, potential contributors. What sort of records did you keep for your own use in contacting potential contributors and in recording what success you had in your contacts with them?

Mr. COLE. Well, I did not keep any important records, except maybe a list of names I had in my mind or in a pad as to people I think, you know, may be potential contributors. Or somebody else would tell me someone, you know, who might be a potential contributor, people that I have known down through the years. I would keep lists, I have kept lists for years.

Mr. SANDERS. You mean you brought some with you?

Mr. COLE. I do not know that I specifically brought some with me. I can sit down out of my mind and make up a list. I could do that, practically, what I would have done. And then I get suggestions from the other, you know, from these guys throughout the country. Then there would be people I know, the same people that contribute year in and year out, and you get to know them.

Mr. SANDERS. Did you maintain a card system?

Mr. COLE. I did not; no.

Mr. SANDERS. Did anyone in the finance office maintain a card system for you?

Mr. COLE. They did not maintain a card system for me that I can recall. We had a teley system or something like that, but I basically would have just my own. I did not work with that many people. I worked with a very limited number of people.

Mr. SANDERS. What categories of potential contributors did you envision yourself working with?

Mr. COLE. Well actually, I was willing to work with anyone from a dollar up, and it was not easy. So I did not restrict myself, and I had no specific category. You know, if someone wanted to contribute $1,000, I would work with him. Naturally, I worked harder on those that contributed more. It really was not that cut and dried.

Mr. SANDERS. Was your principal effort directed at contributors of say, $50,000 or more, or $25,000 or more?

Mr. COLE. Oh, I would say my principal effort was directed at the largest potential givers. But if there was someone that I could talk to for $5,000 or $10,000, I was ready and willing to do it. Whatever was needed.

Mr. SANDERS. What records do you have today remaining from your work in the Humphrey campaign?

Mr. COLE. I do not know that I had any then. I may have, I do not know that I have any from the Humphrey campaign. I have not looked. I had them somewhere here once, but mine would consist of a yellow pad with a bunch of names on them, or ideas.

Mr. SANDERS. You did not take with you any three-by-five, or five-by-eight, or any comparably sized card system, alphabetically indexed with the names of contributors?

Mr. COLE. Not as such. I might have taken a telephone index, you know, of people, but not because they might have been contributors or not, but just because they were people that I have known. I do not know whether I did or not. I might have taken my telephone list.

Mr. SANDERS. Do you have today your yellow pads from your work in the campaign?

Mr. COLE. I really do not know. I just do not know. I am sure I have files of some mementos, things like that. I am not sure. I believe I have. I just do not know.

Mr. SANDERS. In setting up a contact with a potential donor or in communicating with him after a contact, would you send letters to these people?

Mr. COLE. Oh, sometimes. Very limited. If they were, they are in the files. I might on some occasion send a thank-you letter or say, I'm glad I talked to you today, and I will call you next week.

Mr. SANDERS. When you vacated your office, did you take with you copies of correspondence?

Mr. COLE. I do not think so. I never really vacated the office.

Mr. SANDERS. Well, you came to a time when you finished using it.

Mr. COLE. I did not vacate it from the standpoint of taking anything out. I had nothing there, you know, that I can recall.

Mr. SANDERS. You do not believe you took any files with you from that office, from the Humphrey office?

Mr. COLE. I do not really, unless they were personal files or something personal.

Mr. SANDERS. I am speaking of personal files. That is, but in relationship to the campaign work.

Mr. COLE. I just do not know. I might have. I can find out if I have anything in my files, but I do not think I took anything. I might have had, as I say, my own files and personal files, and a few personal letters. Really, I was not involved in any real correspondence of any significant nature.

Mr. SANDERS. Would you take a look for what records you have today from the campaign and advise us of this?

Mr. COLE. Oh, sure. But I know if I have anything it would be scratch pads and personal notes and that type of thing.

Mr. SANDERS. I have a subpena duces tecum in my office which I intended to bring here to serve upon Mr. Cole, and will do that before we quit today.

Mr. COLE. A what?

Mr. SANDERS. A subpena for records.

Mr. CALIFANO. Why do you not just give it to me?

Mr. SANDERS. Right. This was not served upon you in advance because I made contact through the O'Connor law firm and dealt with Mr. Califano on this. But I have notified Joe Walters I have a subpena for Mr. Cole.

Mr. CALIFANO. It is the first I have heard of it.

Mr. SANDERS. In fact, I sent him a letter, which I mentioned in it before I was sure that you were the one that was representing Mr. Cole.

You mentioned your chairmanship of the board of the Capital National Bank. I want to get clear whether you serve as the chief executive officer or the president of any corporations whatsoever.

Mr. COLE. Other than what I told you?

Mr. SANDERS. Other than board chairmanships, do you serve as a chief executive officer, president of any corporation?

Mr. COLE. I do not think so. I will have to check my list, but I do not think so.

Mr. SANDERS. Did you make personal donations to the Humphrey campaign in 1971 or 1972 or 1973?

Mr. COLE. Yes, I made some contributions to him in the 1972 campaign.

Mr. SANDERS. Did you also make loans to the Humphrey campaign?

Mr. COLE. Yes.

Mr. SANDERS. I have here a list of loans said to be made by you to the Humphrey campaign, and I would like to show this to you. It is a memo dated October 9, 1973, and ask you if you could take a look at it and tell me whether that appears to be correct? [See memo, next page.]

Mr. COLE. I know that $175,000 balance is correct. I know I made loans and got repayments on them. I cannot, you know, guarantee that they go——

Mr. SANDERS. The balance is correct?

Mr. COLE. That is right. I cannot from memory give you the answer as to the specific dates.

Mr. SANDERS. You cannot verify as to the loans aside from the repayments? Can you say whether those loans are correct?

Mr. COLE. Well, I am sure they are a matter of record. I cannot, you know, do it from memory.

Mr. CALIFANO. I think we can check that if you want to give us a Xerox of it.

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DEPUTY COUNSEL

United States Senate
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

To: File

From: James Leo Elder

Date: October 9, 1973

Subject: HUMPHREY CAMPAIGN FINANCES

Loans from Joseph E. Cole:

Date	Amount
Pre-April, 1972	$ 50,000
April 22, 1972	220,000
May 3, 1972	80,000
May 19, 1972	35,000
May 31, 1972	5,000
June 1, 1972	2,000
	$392,000

Repayments

April 30	100,000
May 27	35,000
June 5	5,000
June 13	17,000
June 20	50,000
June 23	10,000
	$217,000

Total loans outstanding $175,000

About information received from Attorney Frank J. Walz on October 5, 1973.

JLE:brc

Mr. SANDERS. Well, we got this from Frank Walz.

Mr. COLE. That is why I say it must be correct.

Mr. SANDERS. Do you still consider that the Humphrey campaign owes you, then, $175,000, approximately $175,000?

Mr. COLE. Yes.

Mr. SANDERS. Approximately how much did you donate to the Humphrey campaign in a form other than by loans?

Mr. COLE. I believe it was $45,000.

Mr. SANDERS. In about how many increments?

Mr. COLE. I do not really know. I do not recall.

Mr. SANDERS. Was it several?

Mr. COLE. I do not know. It is a matter of record.

Mr. SANDERS. Do you have nformation on that, Mr. Califano?

Mr. COLE. I think it is a matter of record. It has been reported.

Mr. CALIFANO. I do not have anything. I am not here to testify, but I do not have any information on it.

Mr. SANDERS. But you were looking in his records, and I thought you were going to be of some assistance to me.

Mr. CALIFANO. I was looking in public documents, essentially.

Mr. SANDERS. All right.

Mr. CALIFANO. I think the $45,000 figure is correct. If you are interested in increments or what have you, I will try to get the records or reconstruct it for you.

Mr. SANDERS. Was any of the $45,000 donated by you before April 7, 1972?

Mr. COLE. I do not have that information in front of me. I do not recall. I think the records show it.

Mr. SANDERS. Well, if it was before April 7, it would not be a matter of public record.

Mr. COLE. I am sure it is a matter of public record.

Mr. SANDERS. How can you be sure of that?

Mr. COLE. Because they told me, or I saw some reports, you know, that it had been reported. Besides, I do not think I was doing any activity there until after that date. I do not have a record in front of me. The records were provided somewhere to somebody.

Mr. SANDERS. You said that you began in the campaign in March.

Mr. COLE. March or April, I did not remember.

Mr. SANDERS. I thought you said February or March.

Mr. COLE. No; I said March or April.

Mr. SANDERS. March or April?

Mr. COLE. Yes.

Mr. SANDERS. And the new campaign law went into effect on April 7 of 1972, and I just wanted to inquire——

Mr. COLE. My guess would be that it would be after but I just do not have that information in front of me, and I do not recall. My guess would be that it was after.

Mr. SANDERS. Would your contributions in the approximate total of $45,000 all have been by check?

Mr. COLE. Yes.

Mr. SANDERS. Nothing contributed in the form of stock?

Mr. COLE. No.

Mr. SANDERS. Or currency, I should say?

Mr. COLE. No.

Mr. SANDERS. In addition to this sum of money, did any member of your immediate family make contributions to the Humphrey campaign of $1,000 or more?

Mr. COLE. No.

Mr. SANDERS. To your knowledge, was this $45,000 broken down into increments of $3,000 in consideration of the gift tax law?

Mr. COLE. I think this was a practice that was handled by the treasurer's office or the management of a committee. I think that is how they handle all contributions.

Mr. SANDERS. Do you think that, you did not write $3,000 checks, but rather you gave one large sum which was broken down by the Humphrey committee?

Mr. COLE. I think so. You are asking me questions about things I do not remember, you know, accurately.

Mr. SANDERS. I am just asking you what you do remember. And if you do not you cannot say.

Mr. COLE. I do not remember how it was handled, exactly.

Mr. SANDERS. Did you have an accountant or an attorney who managed your political contributions, that is, who counseled you on how to break it down and what committees to distribute it to?

Mr. COLE. I did not.

Mr. SANDERS. So that it would have been, so you personally drew the checks for these contributions and delivered them to the Humphrey committee?

Mr. COLE. Yes.

Mr. SANDERS. To your knowledge, did any member of the board or executive officers of the Capital National Bank make any contributions to the Humphrey campaign, other officers make any contributions to the Humphrey campaign?

Mr. COLE. Not to my knowledge, but I would not know their personal business.

Mr. SANDERS. You have no knowledge?

Mr. COLE. I would doubt it.

Mr. SANDERS. Did you serve as the endorser or guarantor on any loans, the proceeds of which went to the Humphrey campaign?

Mr. COLE. Well, I was involved with either guaranteeing or endorsing one loan, but I am not sure what word you use in connection with it. But that was in connection with a Duncan contribution of $100,000, if that is what you mean.

Mr. SANDERS. Would you explain the circumstances of that contribution to the Humphrey campaign, beginning with your first knowledge of the matter?

Mr. COLE. Well, not long after I came to the committee, I was told about a wealthy Texan who wanted to contribute to the Humphrey campaign. He had been in contact with, I think he had been originally referred to the group before I was there, probably by, as I understood it he was referred by Senator Hartke to Mr. Dogle of Philadelphia. That is where I first heard about him. And when I arrived on the scene, Mr. Dogle informed me that there was a wealthy fellow in Texas who wanted to contribute half a million dollars to the Humphrey campaign, and it was being handled through his agent and friend by the name of Dilbeck. And that, although he had a very strong net worth and was very well to do, he was short in cash and was wondering

if there were any ways we could find—anybody would finance him or his note in some fashion on a temporary basis, so that he could borrow money that he was willing to contribute to the campaign, and that he would make such a contribution.

Mr. SANDERS. So on the basis of that information, what did you do?

Mr. COLE. Well, not long after that, they decided to refer him to me and before long I had meetings with him, and there was many telephone conversations with a fellow by the name of Dilbeck who talked to Thatcher, who talked to me, representing himself as an associate of Duncan, telling us that he wanted to—he was very anxious to support Humphrey and wanted to make some contribution, but they had no cash. But they were willing to borrow the money if we could help get anyone to finance them temporarily. And if, that they would pay the money back if we get them the money and they would contribute to the Humphrey campaign.

I cannot think of the time. Eventually or finally, I ended up meeting with Dilbeck I think, probably together with Paul Thatcher in our office in Washington, and listened to the story with him again. We had a great need for money, and I got all the information on Duncan and his financial statements and so forth, and then told him that we would check out and see about the man's financial resources. I think over a period of time before and during and after, he came to see us, we checked their references, both Duncan and Dilbeck. We checked quite carefully by telephone. We checked with New York bankers who had done business with Duncan and with Dilbeck. We checked with banks in Texas. And everything we could find out indicated that Duncan was a man of means. He owned a big chunk of one or two banks in Texas, and he had a lot of land.

We checked with the New York banks, who said they had done business with Duncan, and he had repaid them well, and also gave strong references on Dilbeck.

We were then satisfied. I was satisfied, and the others, as to the financial ability of Duncan to make the kind of contribution he was talking about.

Mr. SANDERS. Dilbeck was to have no financial obligation here? He was merely referring Duncan and introducing him to you?

Mr. COLE. Right, right.

Mr. SANDERS. OK.

Mr. COLE. And we verified too, with Duncan, I am sure, by telephone, as a rule, at least once. But on more than one occasion we verified his association with Dilbeck, and he indicated that Dilbeck was representing him and properly so, and had the authority to do so.

We cast a ballot then and decided to see what we could do about financing a loan to Duncan. The result of that was the loan that we made in a bank here in Washington for Duncan. We started to make the application for the loan in Washington.

Mr. SANDERS. Is that at the D.C. National Bank?

Mr. COLE. I think that is the name of the bank.

Rudd was the man that was there. I think it was Mr. Rudd at D.C. National.

And we proceeded, Thatcher first, and then Thatcher and I went back to the National Bank.

Let me think a moment.

Mr. SANDERS. You or Thatcher?

Mr. COLE. The original contact? I cannot recall. It was either Thatcher or Thatcher and I.

Thatcher generally handled, you know, the mechanics as the treasurer. He was the official treasurer of the campaign. He generally handled things that were administrative or of a technical nature. And we were referred to that bank. And as I recall, we went in to negotiate a loan for Mr. Duncan on his statements, on his note hoping to sign a new note, you know, for the bank.

And as I recall, it turned out that the need for money became more and more urgent, and the bank was unwilling to make the loan directly to Mr. Duncan, because they did not know him, or for whatever reasons thay had. And then we talked about, you know, how they would do it, and the most expeditious way——

Mr. SANDERS. Did you at that point have in hand any notes or other form of promises signed by Duncan?

Mr. COLE. Well, either we had it in hand or Dilbeck had at that time five notes from Duncan, as I recall, each for $100,000.

Mr. SANDERS. Did you see these notes?

Mr. COLE. I saw the notes, I am sure that I saw them.

Mr. SANDERS. Did you take possession of them?

Mr. COLE. I think we did have possession of them for a short time.

Mr. SANDERS. There were five notes, each for $100,000?

Mr. COLE. Yes.

Mr. SANDERS. They were signed by Duncan?

Mr. COLE. Yes.

Mr. SANDERS. They were in blank, I presume?

Mr. COLE. I think so, yes.

Mr. SANDERS. All right now. And were these notes displayed to the D.C. National Bank or did they——

Mr. COLE. I don't think all five. They were told that—I'm sure of the one note. We were only talking about $100,000.

Mr. CALIFANO. Let me just—I think there is some confusion. You asked Mr. Cole whether the notes were in blank and Mr. Cole has said yes, and then you asked whether the notes were made out for $100,000, and Mr. Cole said yes.

Mr. COLE. I do not even remember. I think they were signed I don't know.

Mr. SANDERS. Did they have a figure in them?

Mr. COLE. I thought they did, I just cannot remember now.

Mr. SANDERS. Were they payable to bearer?

Mr. COLE. That was blank.

Mr. SANDERS. That was—what was blank?

Mr. COLE. That was blank.

I know he signed it, and it may have been $100,000 on each of the notes. I would guess that was what it was.

Mr. PRESNELL. Mr. Cole, how did you determine the amount of the contribution that Mr. Duncan was going to make? Did you negotiate that with Mr. Dilbeck, or was that negotiated directly with Mr. Duncan?

Mr. COLE. Negotiated with Dilbeck and confirmed and negotiated with Duncan on the telephone.

Everything we did, and everything I did, in connection with Dilbeck, I verified with Duncan and got his approval.

Mr. SANDERS. Are you familiar with the exact circumstances of Duncan's signing of these notes? Did he do them in the Humphrey office?

Mr. COLE. No; I have no idea.

Mr. SANDERS. Would you continue, then, with your contact—the explanation of the contact with the bank?

Mr. COLE. Well, the sum and substance of it is that they would not—they said they would not make the loan directly with Duncan, particularly because he was out of State, and also because we did not have sufficient time to provide all of the statements that they would require and to get all of the necessary forms that they would require for him to do it. And we were there and on the spot and wanted to facilitate the money in a hurry because we needed it, so therefore, in the bank, I guess—I do not recall this—and I could be annoyed about it, but they said they would not loan the money to me, either, I guess. Because I was then willing to help out by borrowing the money, and then loaning it to Duncan in anticipation that in the ensuing week or so that I would get it. And with that in mind I would get it changed around, and all of the forms necessary, so we could put it in Duncan's name, which is what the actual facts were in the situation.

I understand that we were being assisted by Max Kampelman, who I think introduced us to the bank, and I understand that he wanted—because I was out of State, or did not do business with the bank, he wanted Max Kampelman's endorsement also, which he got. And subsequently—and also the note—we had to give him the note as part of the collateral, and this was all verified and we discussed this on the phone with Duncan. I told him this would be a temporary measure, that as soon as we got off the proper forms, I wanted the loan in the bank to be made directly to him, but that to expedite matters, get the money in a hurry, we received his approval to handle it this way.

So, with Kampelman's assistance and endorsement, and with the note as collateral, they loaned the money to me, and I loaned it to Duncan by whatever form it was done, and he contributed to the Humphrey committee.

The details and mechanics of it was handled by Mr. Thatcher.

Mr. SANDERS. It is your understanding that Mr. Kampelman executed a note to the bank for $100,000?

Mr. COLE. That is not my understanding at all.

Mr. SANDERS. All right.

What did Mr. Kampelman do?

Mr. COLE. I'm not a—again, I am not a financial technician. I know that Kampelman either had to be an endorser or something on this note before the bank would make the loan.

Mr. SANDERS. Do you think that on one of the Duncan $100,000 notes, Kampelman served as an endorser?

Mr. COOPER. That is not what he said. That is not the testimony.

Mr. COLE. It is a matter of record.

Mr. COOPER. It is not the testimony of the witness.

Mr. SANDERS. What did the witness say?

Mr. COOPER. It is in the transcript.

Mr. SANDERS. Well——

Mr. COLE. As a matter of fact, I do not know the technicalities.

Mr. SANDERS. I do not want to play games with you. This is a search for information, and——

Mr. COLE. Well, then, I do not think you should. It is a matter of record. Basically, I am a marketing man, and a salesman.

I am not a technician, not even a financial technician, you see, and I did not handle these things, the mechanics.

Paul Thatcher handled them. He is a technician. So I do not know whether Max endorsed them.

Mr. SANDERS. There is no problem if you do not know. All you have to do is say you do not know.

Mr. COLE. That is just it. I am not sure.

Mr. SANDERS. Do you know what financial instruments were given to the bank by Mr. Duncan, Mr. Kampelman, by yourself, or by the Humphrey campaign?

Mr. COLE. I know that we provided them with Mr. Duncan's note, and I know I signed a note. I know Mr. Kampelman signed something.

Mr. SANDERS. You do not know whether he signed the same instrument?

Mr. COLE. I do not know.

Mr. PRESNELL. Was Mr. Duncan aware of the manner in which you had to secure the loan?

Mr. COLE. Yes; he was. I kept him informed and he approved it by telephone.

Mr. SANDERS. When the financial instruments had been executed, and delivered to the bank, in what manner were the funds made available?

Mr. COLE. I did not handle this, Paul Thatcher handled this.

Mr. SANDERS. Did you personally receive the proceeds of this loan?

Mr. COLE. No.

Mr. SANDERS. Were they transferred to any account of yours?

Mr. COLE. No.

Mr. SANDERS. Well, now, a few moments ago you said something to the effect that the bank loaned the money to you and you in turn loaned the money to Duncan.

Can you explain how the bank loaned the money to you if you never received it in any fashion?

Mr. COLE. Well, I think it is a common practice. You get a loan from banks, and it is a common practice in business—you do not get it, it goes sometimes from the bank right to some other source, without coming through your hands.

That is common. In this particular case, I think that Thatcher gave instructions to the bank to deliver the money directly to the Humphrey committee.

Mr. SANDERS. Was the money transferred into an account of the Humphrey committee at the bank?

Mr. COLE. I do not know whether we even had an account at the bank, but I believe the money was transferred right directly to the Humphrey committee.

Mr. SANDERS. My understanding is you did not have an account at the bank.

Mr. COLE. I?

Mr. SANDERS. Yes, sir.

Mr. COLE. No.

Mr. SANDERS. Or Duncan?

Mr. COLE. I do not know about Duncan.

Mr. SANDERS. To your knowledge, was there any other form of security or collateral for the loan of this money, besides or beyond the Duncan note?

Mr. COLE. I do not think so. Not to my knowledge.

Mr. SANDERS. Did you consider yourself financially obligated on that loan in the event of default?

Mr. COLE. I would say if I signed the note, I would have to be financially obligated in case of default.

Mr. SANDERS. Did you take any measures to lessen the effect upon you in the event of default?

Mr. COLE. Well, I—yes, the—Thatcher then arranged for himself and Dogle and Morrison, I think, to sign a separate instrument that they all equally stand a proportionate share of the default in case there were going to be one.

We did not expect there to be one, we were very confident that Duncan was financially able to pay it, and expected him to pay it, and still expect him to pay it.

Mr. SANDERS. Besides yourself, were there four others, then, who agreed to share in the event of default?

Mr. COLE. Yes.

Mr. SANDERS. Dogle, Morrison——

Mr. COLE. Thatcher, and Kampelman.

Mr. SANDERS. The last one?

Mr. COLE. Kampelman.

Mr. SANDERS. So that each would be liable to the extent of $20,000?

Mr. COLE. Yes.

Mr. SANDERS. Has the District of Columbia National Bank been repaid for that loan?

Mr. COLE. Well, we paid—they have been demanding payment, we have been demanding payment from Duncan, we've been negotiating—we've been negotiating with Duncan and also with Dilbeck for him through Duncan.

We've been unsuccessful. Therefore, in obtaining the payment from them, the bank demanded some payment, and I think as a group we paid $20,000 on the loan, because they would not wait any longer.

Mr. SANDERS. Did each of the five share equally in the $20,000 repayment?

Mr. COLE. Each of the five shared equally. One of the five may not have sent his money in yet. I think one is a little late.

Mr. SANDERS. Do you know who that is?

Mr. COLE. Morrison.

Mr. SANDERS. Is $80,000 still owing to the bank?

Mr. COLE. Still owing to the bank?

Yes. Not the same bank, it has been transferred now to another bank.

Mr. SANDERS. District of Columbia National Bank has been repaid?

Mr. COLE. That is right.

Mr. SANDERS. With funds from a subsequent loan?

Mr. COLE. [Nods in the affirmative.]

Mr. SANDERS. Would you explain the circumstances?

Mr. COLE. Same loan, it was just transferred to a bank in Cleveland Capital Bank.

Mr. SANDERS. That is the bank you mentioned, where you serve as chairman of the board?

Mr. COLE. That is right.

Mr. SANDERS. When was this?

Approximately when was this transfer of capital? This year?

Mr. COLE. Oh, yes, not very long ago.

Mr. SANDERS. And was it $100,000 or $80,000 that was borrowed from Capital?

Mr. COLE. Whatever the balance was, Capital repaid it directly to the bank.

Mr. SANDERS. On the basis of what instrument did Capital loan this money?

Mr. COLE. I do not know. That was handled by our lawyers in Cleveland, I think.

It is just a regular loan instrument.

Everything that was involved in the bank here, I think, was transferred to Capital.

Mr. SANDERS. Thatcher—was he involved in arranging for that loan?

Mr. COLE. I arranged for the loan.

Mr. SANDERS. Oh, you arranged for it?

Mr. COLE. Yes.

Mr. SANDERS. Well, at the District of Columbia National Bank, Dogle, Morrison, and Thatcher were not endorsers on the note to the bank?

Mr. COLE. No, I think that was a separate instrument.

Mr. SANDERS. Right.

Did they join in the execution of the note to Capital National Bank?

Mr. COLE. Well, that was handled by a lawyer. I do not know.

But whatever the responsibility was in the first instance, it was made at least the same in the second.

I do not think there was any change in the nature.

Mr. SANDERS. Are you one of the signators on the financial instrument at Capital National Bank?

Mr. COLE. Yes.

Mr. SANDERS. Is there any banking restriction on borrowing money from your own bank?

Mr. COLE. It might be for officers. I am not an officer, I have been excluded from that.

My position as chairman is out of the pale. Since I was chairman I was out of the pale of officers of the bank. I am in a position to do business with the bank if I so choose.

I am not a stockholder in the bank.

Mr. SANDERS. Did you serve as an endorser, guarantor of any other loans, the proceeds of which were provided to the Humphrey campaign?

Mr. COLE. No.

Mr. SANDERS. Are you aware of another loan obtained on the basis of one or more of the Duncan notes?

Mr. COLE. Yes.

Mr. SANDERS. Did you note serve as an endorser, guarantor, on that?

Mr. COLE. No.

Mr. SANDERS. Did you have a hand in obtaining the proceeds?

Mr. COLE. No.

Mr. SANDERS. From the financial institution?

Mr. COLE. No.

Mr. PRESNELL. Do you know the circumstances surrounding the decision to go back to Mr. Duncan for additional funds?

Mr. COLE. The circumstances surrounding it?

No. I am aware it happened.

Mr. PRESNELL. You did not solicit the second contribution?

Mr. COLE. No, that was handled—I think that was handled, basically between Mr. Thatcher and Dilbeck, and subsequently Dilbeck and Dwayne Andreas.

Mr. PRESNELL. Would you happen to know if Mr. Thatcher solicited to Mr. Dilbeck, or solicited from Mr. Duncan through Mr. Dilbeck, or did Mr. Dilbeck come and offer some additional money to the campaign?

Mr. COLE. No, he did not have to solicit either Dilbeck or Duncan. They were offering this.

Mr. PRESNELL. In other words, Mr. Dilbeck personally offered additional funds to the campaign?

Mr. COLE. That is right.

Mr. PRESNELL. Did he call or come by the office?

Mr. COLE. I would say—I do not recall, it could be a combination of both.

Mr. SANDERS. Was this loan we have just finished discussing, with the District of Columbia National Bank, the first—was it to your knowledge the first money provided to the campaign by means of a Duncan note?

Mr. COLE. Certainly, as far as I know.

Mr. SANDERS. How much later did the second loan occur, approximately?

Mr. COLE. I do not recall. A matter of weeks.

Mr. SANDERS. In the interim, do you know who had physical custody of the Duncan notes?

Mr. COLE. No, I do not.

Mr. SANDERS. Do you know whether they were in the custody of the campaign, or in the custody of Dilbeck, or Duncan?

Mr. COLE. I just really do not recall.

Mr. PRESNELL. Were you involved in arranging for Mr. Andreas to offer collateral for the second one?

Mr. COLE. My only involvement was in the initial discussions with Mr. Thatcher, and I spoke with Mr. Andreas regarding Mr. Duncan's desires through Mr. Dilbeck to make additional contributions if they could be financed, which was referred to Mr. Andreas, hoping that he could find a way to do it.

Mr. PRESNELL. Did you or other members of the campaign committee relate to Mr. Duncan that Mr. Andreas was involved in the collateral for his second contribution?

Did you or someone on your staff tell Mr. Duncan that Mr. Andreas was the person who had offered the stock as collateral for the $200,000 contribution?

Mr. COLE. No, anything regarding that transaction was handled directly with Mr. Andreas and Mr. Dilbeck and Mr. Duncan, as far as I know.

Mr. PRESNELL. So Mr. Dilbeck personally negotiated it with Mr. Andreas?

Mr. COLE. I would say so.

Mr. PRESNELL. Did someone at your committee arrange a meeting between Mr. Dilbeck and Mr. Andreas?

Mr. COLE. I am sure the first meeting was arranged by someone in our committee.

Mr. PRESNELL. When did you first have questions about the financial stability of Mr. Duncan, and his ability to pay off the loans?

Mr. COLE. I do not recall. I think it came about after there was some—I just do not remember.

Maybe it came about after there was some publicity about it with reference to contributions to the Nixon campaign. We became somewhat concerned, and, of course, even before that we proceeded to, as far as the $100,000 note was concerned we proceeded very early to negotiate with Mr. Dilbeck on behalf of Mr. Duncan, sought directly from Mr. Duncan repayment of that loan, personally, by telephone, by mail. We proceeded with collection afterward within a very short time after the original loan was made.

Mr. PRESNELL. Mr. Dilbeck obviously acted as Mr. Duncan's agent in making these contributions.

I would be interested if you had any comment about, perhaps, the relationship that Mr. Duncan and Mr. Dilbeck had, or if Mr. Dilbeck ever related to you the reasons that Mr. Duncan was so interested in contributing to the Humphrey campaign.

Mr. COLE. Well, on more than one occasion, I verified the relationship between Dilbeck and Duncan by talking to Duncan, who verified that Dilbeck was his friend and agent and authorized to do this in his behalf.

I knew nothing other than that about their relationship with each other, except what Duncan verified and explained to us, and he gave us a satisfactory explanation. Dilbeck said he speaks for Duncan, and Duncan said he does too.

Mr. PRESNELL. In your conversations with Mr. Dilbeck, did he ever convey to you the motivation of Mr. Duncan in making these contributions?

Mr. COLE. I do not recall any motivation, other than he was strong for Humphrey, and strongly opposed to McGovern.

Mr. PRESNELL. Did Senator Humphrey personally solicit either of the two Duncan contributions?

Mr. COLE. Not to my knowledge.

Mr. PRESNELL. Did he ever personally solicit the help of Mr. Dilbeck in raising money for his campaign?

Mr. COLE. I am unaware of any personal relationship that might have existed.

Mr. PRESNELL. Did Mr. Dilbeck ever make a contribution to the Humphrey campaign?

Mr. COLE. Not to my knowledge.

Mr. PRESNELL. Have you been working through Mr. Dilbeck in trying to negotiate the payment of the loan, or have you been working more closely with Mr. Duncan since the loan was defaulted?

Mr. COLE. My work has been through Mr. Dilbeck, with my lawyer—my attorneys in Cleveland, through Mr. Dilbeck, and also directly with Mr. Duncan by telephone or mail.

Mr. PRESNELL. From your—just information and observations, would you say that Mr. Dilbeck is still a close associate of Mr. Duncan?

Mr. COLE. I have no knowledge of that at all. I have been out of contact.

Mr. PRESNELL. You mentioned earlier that the first contact—the first time the name of Mr. Dilbeck came up was probably from Senator Hartke, and in Senator Hartke's calling the committee and relating these names to you, did he mention Mr. Duncan's name, or did he just acquaint you with Mr. Dilbeck?

Mr. COLE. Neither one. I did not say it was from Hartke to me. My first hearing of the name came from Mr. Dogle in Philadelphia, and hearing it from Mr. Dogle in Philadelphia, I was told that he came from the suggestion of Senator Hartke.

Mr. PRESNELL. So it was secondhand information to you?

Mr. COLE. That is right.

Mr. SANDERS. During this period, March to July, did you spend—was this a full-time endeavor in the Humphrey campaign on your part?

Mr. COLE. A very limited time.

Mr. SANDERS. Approximately what part of the time did you spend in the Washington office?

Mr. COLE. Maybe 1 to 2 days a week.

Mr. SANDERS. Were you salaried during this period by the campaign?

Mr. COLE. No.

Mr. SANDERS. Did you continue to receive your—are you salaried by the Capital National Bank?

Mr. COLE. No.

Mr. SANDERS. Are you salaried by the first corporation you mentioned, of which you are chairman of the board?

Mr. COLE. Yes.

Mr. SANDERS. And did you continue to receive that salary during this campaign period undiminished?

Mr. COLE. Yes.

Mr. SANDERS. You traveled between Cleveland and Washington, D.C. Who paid for your travel expenses?

Mr. COLE. I did.

Mr. SANDERS. Did the campaign reimburse you for any travel expenses?

Mr. COLE. I am not sure whether they did or not.

Mr. SANDERS. Did any of the corporations in which you are an officer or member of the board—did they reimburse you for any of your contributions to the Humphrey campaign?

Mr. COLE. No, no.

Mr. SANDERS. Did you charge any of your campaign-related expenses to any of the firms with which you are associated?

Mr. COLE. No.

Mr. SANDERS. Did you solicit a contribution from any of the officers of any of the corporations with which you were associated?

Mr. COLE. No.

Mr. SANDERS. In May of 1972, in the first part of May, John Loeb, Sr., made a contribution to the campaign of Senator Humphrey.

This was received—let me ask first. Did you have any role or involvement in the arrangement—in making the arrangements for Senator Humphrey to meet with Mr. Loeb?

Mr. COLE. No.

Mr. SANDERS. Did you know in advance of the contribution that Senator Humphrey was to meet with Mr. Loeb?

Mr. COLE. No.

Mr. SANDERS. I assume that you were not present at the meeting between Senator Humphrey and Mr. Loeb?

Mr. COLE. I did not know of such a meeting, and I don't know that now.

Mr. SANDERS. This contribution by Mr. Loeb was received in the Humphrey office here in Washington in the form of a number of checks executed by employees of his firm in New York, in sums of $3,000 and $6,000, totaling $48,000. In addition there was $2,000 in cash.

Were you in the campaign office when this package arrived from Mr. Loeb?

Mr. COLE. I do not know. I would not have known when it arrived.

Mr. SANDERS. It was brought to Washington by Mr. Solomonson. Do you know of Mr. Solomonson serving as a courier for a large contribution by anyone?

Mr. COLE. I became aware on one day that there was a contribution from New York, from a group of people in New York, through the Loeb Company, brought in by Solomonson, or whatever his name is, as a passing matter. When it happened I knew about it, I was told about it.

Mr. SANDERS. Do you know John Loeb?

Mr. COLE. Oh, I would say that I have a very slight acquaintanceship with him.

Mr. SANDERS. Do you know Mr. Solomonson?

Mr. COLE. I know him fairly well.

Mr. SANDERS. Were you present in the office when he brought in the checks from the Loeb firm?

Mr. COLE. I was aware that he brought them in. You know, some time during a particular time period.

Mr. SANDERS. Right. We have not gotten clear whether you learned about it afterward, or whether you learned it contemporaneously with the bringing it into the office.

Mr. COLE. I am not sure when he brought it in, but I knew as of—as of today, I knew that the money came in, the checks came in, or whatever.

Mr. SANDERS. Were you contemporaneously aware that the package from the Loeb firm contained $2,000 in cash?

Mr. COLE. I was not aware of the package.

Mr. SANDERS. Well, I do not want to limit my search for the information by the term "package."

Do you know of a delivery of funds and checks from Mr. Loeb in New York?

If you learned of it sometime, did you soon after it arrived, I assume—did you learn it contained $2,000 in cash?

Mr. COLE. I am unaware that I learned about it at that particular time. It is vague in my mind.

Mr. SANDERS. But some time soon thereafter, did you learn that he had sent $2,000 in cash?

Mr. COLE. I think so.

Mr. SANDERS. And who did you learn that from, and how?

Mr. COLE. Well, I was told by either—by Thatcher, I think.

Mr. SANDERS. Did Thatcher tell you what disposition has been made of the $2,000 cash?

Mr. COLE. No, he did not.

Mr. SANDERS. Did he give it to you?

Mr. COLE. I do not recall that he gave it to me.

Mr. SANDERS. Do you know of the campaign, or any of the Humphrey committees, maintaining a safe-deposit box in any financial institution?

Mr. COLE. No.

Mr. SANDERS. Did you at any time receive from the campaign, cash of $1,000 or more in one increment?

Mr. COLE. From the campaign committee?

Mr. SANDERS. Yes, sir.

Mr. COLE. I cannot recall. It is entirely possible. Somewhere in Miami—someplace somebody might have given me some money to pay motel bills, or something.

I just do not recall any—you know, I just do not recall it happening.

Mr. SANDERS. In May or June of 1972, did you have occasion to travel to California?

Mr. COLE. Did I have occasion to travel in California? I might have. I went out there once, but I do not know when it was.

Mr. SANDERS. For the primary, undoubtedly.

Mr. COLE. I went out there, for—maybe it was the night of the primary in California.

It was either the night of the primary or a fundraising thing.

I know I flew out there once, I just do not remember.

Mr. SANDERS. Did you take with you in cash $1,000 or more?

Mr. COLE. Not that I recall.

Mr. SANDERS. Did you at any time open a bank account for the Humphrey campaign in California?

Mr. COLE. No; I never opened a bank account.

Mr. SANDERS. Have you learned at any time, up to the present time, what disposition was made of $2,000 in cash which arrived in the Humphrey campaign office from John Loeb as part of the contribution from John Loeb?

Mr. COLE. I do not recall—I really do not recall.

Mr. SANDERS. Do you think you once knew?

Mr. COLE. I just do not know if I once knew or not. I just do not remember.

That was an incidental kind of thing. A lot of things could have happened; I just do not recall.

Mr. SANDERS. Well, we know the Humphrey campaign received the $2,000 in cash from John Loeb, and it appears that $2,000 in cash was deposited to a Humphrey account in the first part of June.

Mr. COLE. Where, in California?

Mr. SANDERS. No; sir, here in Washington.

So that for an approximate 30-day period there, it is not known what happened to the $2,000, and I am trying to find out. Can you help me?

Mr. COOPER. That is assuming it is the same $2,000, isn't it?

Mr. SANDERS. There is no way of telling.

Mr. COOPER. You don't know?

Mr. SANDERS. I do not know that.

Mr. COLE. You see, I had nothing to do with disbursement, payments, bank accounts, distribution of the funds, or any of that.

I really do not like to be vague, and I am not a positive person, but I was not involved in the handling of funds, the administration of funds, the opening of bank accounts, the assigning of anything.

All I did was try and do it fairly. I tried to collect contributions.

I just have no idea—I cannot remember, on the other hand. I just do not remember.

Mr. ELDER. Mr. Cole, could I ask you a question on a little different subject here?

Did you, or did the campaign, at any time use the self-liquidating loan avenue to raise money for the committee?

Do you understand what I mean?

Mr. COLE. No, I do not.

Mr. ELDER. In other words, you obtained a loan from a bank, say, and you donate the money to the campaign.

Then you go out and raise money to repay yourself. They refer to it as a self-liquidating loan.

In other words, you obtain a loan—do you know whether or not the committee obtained loans in that fashion?

Mr. COLE. I do not know if the committee—it is obvious that I loaned some money to the committee and then got paid back.

Is that what you mean?

Mr. ELDER. Well, how did you get paid back? Did you go out and raise some money yourself to pay yourself back?

Mr. COLE. Well, either I or somebody else raised it.

That is what the loans were for.

Mr. ELDER. Well, did you, as financial chairman, distribute the money toward repaying the money as such?

Mr. COLE. No; I did not sign any, I did not have any authorization to sign any checks.

Mr. ELDER. Well, you said you raised money and the committee paid back loans like this. Who paid them back?

Mr. COLE. Well, it would have to be signed by the treasurer, or whoever has a right to sign the checks.

Mr. ELDER. Well, who usually paid—who paid you back your loans? Now, let's put it that way.

Mr. COLE. Well, either Chestnut, or the girl there who signed the checks. I have forgotten what her name was, Brown or Broome.

Mr. ELDER. Did Mr. Thatcher ever sign any from——

Mr. COLE. I do not recall whether he signed checks or not. I do not think he signed checks.

Mr. ELDER. As treasurer, would he be authorized to sign them?

Mr. COLE. I assume so.

Mr. ELDER. Well, did you intentionally go out and borrow money like this and then go out and raise money to pay yourself back?

Mr. COLE. Obviously not, because I did not get paid back. I was not soliciting money and—to get paid back. I would like to do it now, if it is possible. But that's not the way it worked.

Mr. ELDER. Were you talking about getting paid back the $100,000 of the loan—I guess you are referring to, mainly?

Mr. COLE. No; I would like to get paid back my note here.

Mr. ELDER. Your $175,000?

Mr. COLE. Yes; I am very much annoyed, and I need some money.

Mr. ELDER. Is that one note for $175,000, or was it several loans?

Mr. COLE. I do not know the mechanics of it.

Mr. SANDERS. This is a list here.

Mr. COLE. I do not know the mechanics of it.

Mr. ELDER. Oh, OK.

Mr. CALIFANO. Incidentally, can we get a Xerox of that?

Mr. SANDERS. Certainly.

Mr. ELDER. Did the committee itself have any policy like the self-liquidating loans that I have just asked you about?

Mr. COLE. It is not a policy, it is a natural thing to do. If you raise money—you raise money to pay back some of the loans, if you can, but the demands on the time to raise money, there were other demands. You know, we did not have any money in this campaign, and it was hard for anybody to get paid back.

Mr. ELDER. You think this was an ongoing thing—to try to raise money to pay back the loans to the campaign managers, or——

Mr. COLE. It was an ongoing thing to try to raise money for us to keep the campaign going.

Mr. ELDER. To keep it going?

Mr. COLE. That was the principal thing.

Mr. ELDER. I think that is all.

Mr. SANDERS. During the campaign, a Minneapolis bank made a loan of $57,000, the proceeds of which went to the Humphrey campaign.

This $57,000 was made available in the form of cash. Do you have any familiarity with the receipt of that—with that occurrence?

Mr. COLE. I have no familiarity with it at all.

Mr. SANDERS. My information is that a portion of that money—approximately $17,000 was used to pay, or to cover insufficient funds checks which had been issued in West Virginia, and that the remaining portion had been placed in a desk in the Humphrey campaign office.

Did you at any time have occasion to remove cash from the desk in the Humphrey campaign office?

Mr. COLE. I was unaware, you know, of the loan and the uses of funds and so forth.

The desk referred to was a desk that—I do not know the days or time of the thing—but it was the same desk that three or four people were using.

I think one day I came in there and became aware, and I cannot recall how—of money in that desk drawer. Toward the end of the day I know that we had—I had some concern about it, and so did a few other people, and I do not recall whether on my own initiative or someone's suggestion, that we took it out of there for safekeeping overnight, and I took it, I guess it was in envelopes, and took it to the hotel I was staying at and put it in a safe-deposit box, and I think brought it back the next day.

It couldn't have been more than a day or so. I do not know, and I returned it.

Mr. SANDERS. How much cash are you talking about?

Mr. COLE. I do not know. I really do not know.

Mr. SANDERS. Did you not count it?

Mr. COLE. It was in sealed envelopes, if I remember correctly.

Mr. SANDERS. I have been advised that after the desk was emptied it was broken down into three envelopes. Do you have a recollection of that?

Mr. COLE. I do not. I just do not recall. I know for some reason or other I was asked, and for safekeeping I took it out of there overnight and brought it back—it could be two nights, I do not remember.

Mr. SANDERS. Do you have any recollection of it being in more than one envelope?

Mr. COLE. Yes; I think it was in more than one envelope.

Mr. SANDERS. Where did you take the money that night?

Mr. COLE. To the hotel I was staying at that night.

Mr. SANDERS. Where was that?

Mr. COLE. The Watergate.

Mr. SANDERS. Did you take it and place it in a safe-deposit box at the Watergate?

Mr. COLE. Yes; one I got there for that express purpose.

Mr. SANDERS. Who went with you?

Mr. COLE. I do not recall.

Mr. SANDERS. Is this a desk that you used on occasions?

Mr. COLE. [Nods in the affirmative.]

Mr. SANDERS. What other persons use the desk?

Mr. COLE. The same ones we talked about before—Thatcher, Morrison, Marks.

Mr. SANDERS. How did you learn the money was in the desk?

Mr. COLE. I just do not remember.

Mr. SANDERS. Was the desk unlocked?

Mr. COLE. I do not think that drawer was unlocked. I do not recall.

Mr. SANDERS. Did you have a key?

Mr. COLE. No; I did not have a key.

Mr. SANDERS. Who did have a key?

Mr. COLE. Somebody else had a key. I do not recall whom.

Mr. SANDERS. Did Thatcher ask you to place the money under safekeeping for the night?

Mr. COLE. He very well might have.

Mr. SANDERS. In other words, by your own explanation he is the one that takes care of the—you are the fundraiser, he takes care of the money?

Mr. COLE. That's right, that's right.

Mr. SANDERS. Wouldn't he be the one that would place it in safekeeping in the evening?

Mr. COLE. I would expect it would be the normal thing.

Mr. SANDERS. Why didn't he do it on this occasion?

Mr. COLE. Well, I do not know. Maybe he was leaving town. I have no idea. I wish he had.

Mr. SANDERS. Why?

Mr. COLE. Then you wouldn't be asking me about it.

Mr. SANDERS. It's not painful, is it?

Mr. COLE. No; I know—but it is annoying.

Mr. SANDERS. You left it there one or two nights?

Mr. COLE. I do not recall.

Mr. SANDERS. And what happened to it then?

Mr. COLE. Then it was taken back.

Mr. SANDERS. Did you take it back?

Mr. COLE. I think I brought it back to the office and gave it back to whoever was in charge of handling the checks. Probably the same girl that handles the checks and everything else.

Mr. SANDERS. Were you aware that it contained cash—I presume that is why you felt it needed safekeeping.

Mr. COLE. Yes, I was aware. Sure.

Mr. SANDERS. Upon delivering it to this person in the office, did you count it?

Mr. COLE. No.

Mr. SANDERS. Did she count it in your presence?

Mr. COLE. I do not think so.

Mr. SANDERS. Have you at any time learned how much money was in the envelopes?

Mr. COLE. I do not think so, not that I can recall.

Mr. SANDERS. Do you know what disposition was made of it after you turned it over to a person in the office?

Mr. COLE. I understand it went right to proper channels, bank accounts, wherever money is supposed to go. I am sure it was reportable income.

Mr. SANDERS. Well, the bank accounts do not quite check out on it.

Mr. COLE. Well, I am not familiar with that.

Mr. SANDERS. Who do you consider to be the largest contributor to the Humphrey campaign?

Mr. COLE. Do I have to answer that?

I do not really know offhand. There were several large, well, the record shows the largest contributors.

Mr. SANDERS. Well, the records only cover the post April 7 period, and I am talking about the entire campaign if you have any understanding of it.

Mr. COLE. Post?

Mr. SANDERS. I am talking about the entire campaign. Whom do you understand to be the person who gave the most money to Humphrey during the entire campaign?

Mr. COLE. I do not understand that as a fact. I am familiar with who might be among the three or four top contributors.

Mr. SANDERS. Who do you regard as the three or four top contributors?

Mr. COLE. Well, I think probably Leonard Davis, Rickliss, Dwayne Andreas, maybe some from California, but I did not handle those.

Mr. SANDERS. In view of the defaults, I presume you do not put Duncan in that category?

Mr. COLE. In view of the defaults—yes, he would be a large contributor. Has he defaulted on the $200,000 too?

Mr. PRESNELL. Yes.

Mr. COLE. He would be in that category. I forgot about my friend Duncan.

Mr. SANDERS. I understand your frame of mind on that.

Mr. COLE. I forgot about him.

Mr. SANDERS. Leonard Davis, Rickliss, and Andreas. Any others you would put in that category?

Mr. COLE. I do not recall any. I did none of the recordkeeping, so——

Mr. SANDERS. Well, you kept those yellow pads or some sort of records.

Mr. COLE. That did not show how much they contributed. All I had on the yellow pad was Davis—call him. I called him and made

the deal and I scratched him off. That is the way I operate. That is the way I run my business.

Mr. SANDERS. But to know whether you want to go back to somebody, you have got to have a pretty good mental picture of whether he is a generous man.

Mr. COLE. You go back anyhow. They tell you whether they have been too generous or not. I really did not work with too many people.

Mr. SANDERS. Did you solicit any cash contributions?

Mr. COLE. No.

Mr. SANDERS. Do you know of any cash contributions of $1,000 or more to the Humphrey campaign?

Mr. COLE. I know of none.

Mr. SANDERS. What occasion would you have had to disburse money besides paying for your own expenses, if anything?

Mr. COLE. Really direct disbursement, I had—the allocation to disburse money, as I recall, I had no way of disbursing money.

Mr. SANDERS. Did you pay any field people for their services?

Mr. COLE. I did not pay them any money.

Mr. SANDERS. Did you receive contributions from any persons of $1,000 or more who asked that their identity be kept confidential?

Mr. COLE. No.

Mr. SANDERS. Did you have any participation in the preparation of the lists of contributors which were disclosed by the Humphrey campaign before April 7?

Mr. COLE. No.

Mr. SANDERS. Do you know of any contributors of $1,000 or more who were not included in the voluntary disclosure of the Humphrey committee?

Mr. COLE. I would have no way of knowing.

Mr. SANDERS. I am just asking you if you do know.

Mr. COLE. No, I do not.

Mr. SANDERS. Now, I recognize that you were not working with the campaign in January 1972, but did you subsequently acquire any knowledge concerning funds—the source of funds or the amount of funds with which the Humphrey campaign began?

Mr. COLE. I am not sure that I understand what you mean.

Mr. SANDERS. As the Humphrey campaign was initiated in January 1972, and got underway, it either started from ground zero or it started with some money in the bank from some previous campaign or source.

Do you have any knowledge of financial condition or sources of funds for the campaign in January 1972, or previous to that?

Mr. COLE. Oh, no. No.

Mr. SANDERS. Do you have knowledge of a contribution by Mr. Andreas in January 1972?

Mr. COLE. No.

Mr. SANDERS. Are you aware that Mr. Rickliss—did Mr. Rickliss make loans to the Humphrey committee?

Mr. COLE. He made contributions. I do not know whether they were in the form of loans or direct contributions. Probably both.

Mr. SANDERS. Do you have knowledge of Mr. Rickliss making or obtaining money in the form of a loan from a financial institution in order to make a contribution to the Humphrey committee?

Mr. COLE. I have no such knowledge.

Mr. SANDERS. Now on this repayment schedule, there is one shown for $100,000 on April 30. Frankly, I do not know whether that is 1972 or 1973? Do you know?

Mr. ELDER. There is no way of telling from the notes he gave us. It would appear though—I would say it is 1972.

Mr. COLE. It would have to be 1972.

Mr. SANDERS. Most likely, considering the order of loans.

Do you have a recollection of receiving a repayment of $100,000?

Mr. COLE. I do not have any recollection of any specific repayment, dates and things like that.

Mr. SANDERS. Do you have any knowledge that the proceeds of a Rickliss loan of $100,000 were used to repay you?

Mr. COLE. I do not recall having any—I have no recollection of—you know—the source of the Rickliss funds.

Mr. SANDERS. Do you have any more questions, Mr. Presnell, while I search these?

Mr. COLE. Could I ask you a question, please.

I would like to know how long it is going to have to take.

Mr. SANDERS. Why don't we take a recess. I think I won't take but 10, 15 more minutes.

Mr. COLE. How about a 10-minute recess?

Mr. SANDERS. Let us do an inventory here.

Do you have any more questions?

Mr. PRESNELL. I have only got maybe one more.

Mr. SANDERS. Do you have any questions?

Mr. O'HANLON. Just one or two.

Mr. SANDERS. Do you have any questions?

Mr. ELDER. Just one.

Mr. SANDERS. It looks like 15, 20 minutes. Let's take a 5-minute break.

[Recess]

Mr. SANDERS. Did you solicit any of the contributions from Mr. Rickliss?

Mr. COLE. I think I participated with others in a general solicitation. Some were there, I think before I became involved.

Mr. SANDERS. Do you know approximately what he gave to the Humphrey campaign?

Mr. COLE. I would not know the dollar figure.

Mr. SANDERS. Are you aware that he borrowed any money in order to make the contribution?

Mr. COLE. I am not aware of it. I do not recall. See—I think you do understand, but you have to understand that my relationship in this campaign was very limited—very superficial. I was in a day, and back, and out a day and back, and really on the run, and did not spend much time—did not spend time following up.

It was just sort of a superficial relationship, but it was just on the surface. Just hit for a contribution, and I just was not involved enough or here enough or managing enough to really be fully aware of very much, because it was a very limited kind of thing.

A day a week, half a day a week, sometimes a day and a half, and sometimes not at all, which is the reason why I just do not have too much knowledge about some of these things.

Mr. SANDERS. As of April 7, 1972, a new law went into effect requiring each of the Presidential campaigns to report to the General Accounting Office the identity of contributors thereafter.

To your knowledge, were any contributions of $1,000 or more received by the Humphrey campaign after April 7, which were not reported to the General Accounting Office?

Mr. COLE. I would not know.

Mr. SANDERS. Do you have any knowledge of any that were received after April 7 which were recorded as if received before April 7?

Mr. COLE. I have no knowledge of that at all.

Mr. SANDERS. Did you at any time throw away or destroy any financial records of the Humphrey campaign?

Mr. COLE. No.

Mr. SANDERS. Do you have any knowledge of any destruction of financial records for the period before April 7, 1972?

Mr. COLE. Not that I would know.

Mr. SANDERS. Do you know where any of the pre-April 7 financial records are today?

Mr. COLE. No.

Mr. SANDERS. Before April 7, 1972, did you have occasion to see books of original entry in the finance office?

Mr. COLE. No.

Mr. SANDERS. Did the Humphrey campaign have a budget committee?

Mr. COLE. I doubt it. Not that I know of really.

Mr. SANDERS. Even in an ad hoc form?

Mr. COLE. Maybe ad hoc and that was everybody.

Mr. SANDERS. Did you participate in budget decisions? Budgeting decisions?

Mr. COLE. Maybe on one, a very limited occasion if at all. If you would call it budgeting—we had nothing to budget.

Mr. SANDERS. What was the—at the time you joined the campaign, what was the goal in contributions?

Mr. COLE. I do not know of any goals. The goal was to try to collect money to keep the doors opened from—you know—the debts of the previous day, previous weeks. There was no objective in mind, it was a struggle to keep the telephones going, and posters—whatever they needed.

Mr. SANDERS. Do you have any questions?

Mr. PRESNELL. I have only one more question. That relates back to the discussions about the Duncan contribution.

At any time in your dealings with Mr. Duncan or Mr. Dilbeck, did you ever detect any reluctance on the part of Mr. Duncan or Mr. Dilbeck to make a contribution to the Humphrey campaign?

Mr. COLE. No; I did not. To the contrary. I had a feeling they were enthusiastically voluntary.

Mr. PRESNELL. That is all I have.

Mr. O'HANLON. I believe you mentioned that you received a financial statement from Mr. Duncan. Did you verify the accuracy of that statement?

Mr. COLE. Well, I and others—you know—to the best of our ability—you know—his land ownership and bank stockholdings were verified—a good part of it, and personally discussed verification with important banks in New York.

Mr. O'HANLON. How do you account for the financial statement supporting his loan position and still—the developments that followed?

Mr. COLE. I am not up to date on the developments regarding his financial condition.

I heard some months ago that he—publicity or whatever has had an adverse effect on his financial position and his ability to raise money, and so forth.

I was under the impression that he was successful. I still think that was the case. I am not up to date with his current position.

Mr. O'HANLON. Any legal action taken to enforce collection?

Mr. COLE. We are moving in that direction as far as the $100,000 was concerned, but we are also negotiating with Dilbeck for him for collateral—no—certain land that they own and so forth, and those things are going on.

It has slowed down a little bit because of my being busy and my lawyer getting involved in raising money for Israel and that type of thing.

Mr. O'HANLON. In other words, it is not a bad debt as yet, as far as you are concerned?

Mr. COLE. It is not a bad debt, and really I do not intend to have it be a bad debt, because it would annoy me if we even have to go to Texas and run a gas station which he owns, which I understand he does own, but I am just not up to date on it.

Mr. O'HANLON. Do you know how much money the Humphrey campaign raised?

Mr. COLE. No; I do not.

Mr. O'HANLON. I have no further questions.

Mr. ELDER. Mr. Cole, how did the committee keep advised or aware of the financial status at a certain time?

Did you have any meetings, or memorandums, set forth weekly or monthly as to the financial status of——

Mr. COLE. I can answer that for you.

We kept track of it on an hourly basis, and we were always short of money, and I am not being—you know, it is amazing—it is not run like a business, I learned that.

It was difficult—one day it was to try to get some money for this and for this, to pay the rent, and commitments were made to spend money and then the money did not come in and they were canceled. Television shows were canceled.

Mr. ELDER. These commitments that you speak of now. I was speaking of records, memorandums, and stuff. Is this more or less word of mouth that you all had these discussions—what was coming up, what you needed?

Mr. COLE. Oh, yes. Sure.

Mr. ELDER. But no written memorandums?

Mr. COLE. Well, I was not involved, but they were out in California in the primary campaign and they had a lot of—you know, television, things getting ready to go ahead, and then all of a sudden they had no money and they started to cancel.

Mr. ELDER. But you being campaign chairman, I would think they would keep you advised of these matters.

Mr. COOPER. He did not say he was campaign chairman.

Mr. COLE. I was not campaign chairman.

Mr. ELDER. Financial campaign manager was some title, wasn't it? Didn't you have some type of a——

Mr. COLE. Finance chairman.

Mr. ELDER. Finance chairman. Well, being chairman—maybe they should have kept you appraised of it. I would have thought——

Mr. COLE. I was apprised of it. There never was any money.

Mr. ELDER. But no memorandum to set forth the condition, the financial condition at that time?

Mr. COLE. There might be that as part of the record. I do not know.

Mr. ELDER. But you do not recall?

Mr. COLE. You did not have to—you know, you did not have time for memorandums, you know the guys were calling up, you know, and did we get some money to pay the phone bill?

They are pulling the phones out. Did we get some money to gas the plane? The airplane was down half a dozen times; there was no gasoline for the plane.

Mr. ELDER. Most of it was done by word of mouth, then, telephone lines one way or the other?

Mr. COLE. Right; there was no time for anything else. Somebody would call me, I would tell them to call Wyman in California, he would call someone else, to try to send some money somewhere to get something going.

Mr. ELDER. I was just wondering if maybe every week, or every couple of weeks, memorandums set forth the financial status as of that particular date?

Mr. COLE. Well, you never really knew the status.

Mr. ELDER. You never knew it?

Mr. COLE. We were always in trouble.

Mr. ELDER. That is it.

Mr. SANDERS. OK.

That is all, except I would like you to come down and take this subpena I have.

Mr. CALIFANO. Yes, give it to me so we can get going.

Mr. SANDERS. That is the end of the record.

[Whereupon, at 7 o'clock p.m., the hearing in the above-entitled matter was closed.]

Reference will be made in chapter 6 of the final report to the following Humphrey exhibits.

HUMPHREY EXHIBIT NO. 1

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD H. BAKER, JR., TENN., VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
JOSEPH M. MONTOYA, N. MEX.
SAMUEL DASH
CHIEF COUNSEL AND STAFF DIRECTOR
FRED D. THOMPSON
MINORITY COUNSEL
RUFUS L. EDMISTEN
DEPUTY COUNSEL

United States Senate

SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

April 17, 1974

Mr. David Gartner
Executive Assistant to the
Hon. Hubert H. Humphrey
232 Russell Senate Office Bldg.
Washington, D.C. 20510

Dear Mr. Gartner:

As you may know, the Select Committee for some time has been engaged in investigations relating to certain aspects of Senator Humphrey's 1972 presidential campaign. These investigations are almost completed, but there are certain pieces of information and documents that we need to wind-up our work.

We would therefore appreciate your providing us with the following information and documents from your records and files at your earliest convenience:

1. Concerning a speech by Senator Humphrey to dairymen in Louisville, Kentucky in January or February of 1971, the date of appearance, dates and means of travel to and from the event, names of persons traveling with him and his destination after the event.

2. The date of any fund-raising event held at Senator Humphrey's Minnesota home in the summer of 1971, and attendance list.

3. The date of any occasion in the summer of 1971 when Senator Humphrey met with any officials of AMPI, including but not limited to Harold Nelson and David Parr, and the circumstances of the meeting.

4. The date of a fund-raising event for Senator Humphrey held at the Radison South in Minneapolis, in the fall or winter of 1971, probably in October. Also the identities of those in attendance.

5. By reference to office logs, calendars, appointment records, and correspondence, the dates of any meetings between Senator Humphrey in February or March of 1971 and any persons known to be officials of AMPI, Dairymen Incorporated, or Mid-America.

6. Copies of communications with or concerning AMPI, Mid-America, or Dairymen, Incorporated, or their political action entities, TAPE, CTAPE, ADEPT, or SPACE, or any persons known to be officials of these firms, including but not limited to Harold Nelson, David Parr, or Robert Lilly, in relation to your 1972 Presidential campaign.

7. Copies of communications with or concerning John Loeb in relation to contributions to Senator Humphrey's 1972 Presidential campaign, as well as the dates of all conversations between Senator Humphrey and Mr. Loeb in 1971 and 1972.

8. Copies of communications with or concerning Valentine, Sherman Associates or John Valentine or Norman Sherman in relation to goods and services provided or to be provided for Senator Humphrey's 1972 Presidential campaign. Also, by reference to office logs, calendars, appointment records, and correspondence, the dates of all meetings Senator Humphrey or his staff had with Messrs. Valentine or Sherman from January 1, 1971 to February 1, 1972.

9. Copies of communications with or concerning Jack Chestnut, Paul Thatcher, or Dwayne Andreas in regard to Senator Humphrey's 1972 Presidential campaign.

Thank you for your cooperation in this matter.

Sincerely,

Samuel Dash
Chief Counsel

HUBERT H. HUMPHREY
MINNESOTA

DAVID G. GARTNER
ADMINISTRATIVE ASSISTANT

United States Senate

WASHINGTON, D.C. 20510

May 23, 1974

Mr. Samuel Dash
Chief Counsel and Staff Director
Select Committee on Presidential
Campaign Activities
Room 1418 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Dash:

This is in response to your letter of April 17 and our meeting of May 21 in which you requested certain information on behalf of the Select Committee on Presidential Campaign Activities. Since this information comes from Senator Humphrey's personal files, I obtained his permission to relate to you what is contained in this letter.

Our records show that Senator Humphrey addressed a meeting of Dairymen, Incorporated, in Louisville, Kentucky, on January 29, 1971. Senator Humphrey flew from Washington, D. C., to Louisville and from Louisville to Minneapolis on January 29 on a chartered Sabreliner. The Senator was accompanied on the Washington-to-Louisville flight by David Parr, Joseph Westwater, William Connell and Ted Van Dyk. He was accompanied on the Louisville-to-Minneapolis flight by Jack Valentine.

Our records reflect that a fund raising event was held at Senator Humphrey's home in Waverly, Minnesota, on September 18, 1971, between the hours of 4 p. m. and 8 p. m. We do not have records showing who attended this event, though it is indicated that approximately 225 guests were in attendance. The purpose of the event was to "cover some of our unpaid bills from the campaign."

Senator Humphrey addressed the Northern Regional Conference of Associated Milk Producers, Inc., on July 28, 1971, at the Thunderbird Motel in Bloomington, Minnesota. A search of our records does not disclose any other meetings between Senator Humphrey and any officials of AMPI during the summer of 1971.

Rec'd 5:00 pm 5/23/74.
DGn

Senator Humphrey attended a reception and dinner at the Radisson South Hotel in Minneapolis on October 8, 1971. A search of our records failed to disclose who attended this event.

Senator Humphrey met with David Parr "et al" at 4:45 p. m. in the Senator's office in the Senate Office Building on February 23, 1971. A search of our records failed to disclose the nature of this meeting. A search of our records failed to disclose any other meetings between Senator Humphrey and any persons known to be officials of AMPI, Dairymen, Incorporated, or Mid-America in February or March of 1971.

You have requested certain other information concerning communications between Senator Humphrey and various individuals and organizations, as well as communications Senator Humphrey might have had with third parties concerning these various individuals and organizations.

Retrieval of this information will require a considerable amount of time. The records which would supply this information are in storage at the Federal Records Center. If such communications did take place, a determination would have to be made as to whether or not they related to campaign activities. Literally thousands of pieces of correspondence and other documents would have to be examined.

If the committee feels that this information is relevant and necessary, I will be pleased to meet further with you to discuss just what efforts should be made, by whom, and in what time frame to furnish it. Senator Humphrey has asked me to assure you of his complete cooperation with the Committee.

Best wishes.

Sincerely,

David G. Gartner
Administrative Assistant
to Senator Humphrey

HUMPHREY EXHIBIT NO. 2

Valentine / Sherman

MEMO

Date: April 1, 1971

To: Bill Connell

From: Jack Valentine

1. Have you talked to the unions I mentioned in my last memo regarding contributions to Mendel Davis?

2. Also, have you talked to AMPI regarding the same?

3. What is the status on the Joe Beirne meeting sometime in April? The best time for us in this month would be between the 14th and 20th of April. (later) | early 3 months

4. Any word on the Francis Kelly money owed to VSA?

5. Does AMPI have a program of selling insurance to its membership as do the Farm Bureau, Farmers Union, etcetera? | early 5 months

6. See attached possible questions for poll in Kentucky. Opinion?

7. Early returns in Kentucky are as follows:

Combs	24%	2,138
Ford	51	1,199
Undecided	54	4,311
	76%	

Looks good thus far -- except for the very high undecided.

JAV:mc

| get updated figures from Valentine - also - what 2 precincts Tallahassee 71?

UNDERLINEATIONS BY D.G. SANDERS

HUMPHREY EXHIBIT NO. 3

VALENTINE, SHERMAN
AND ASSOCIATES
3050 METRO DRIVE, MINNEAPOLIS, MINN. 55420
PHONE (612) 727-1570

P. 3

July 13, 1971

Mr. Clark Rasmussen
HUGHES FOR PRESIDENT
910 Walnut Street
Des Moines, Iowa 50309

Dear Clark:

I received your letter of June 23, and think all of your questions are well-taken. I will answer them in the same order you asked them.

As to the value for Senator Hughes, it would seem obvious that Congressman Culver and all candidates in 1972 will benefit more than Senator Hughes during the coming year. However, there will also be certain direct and immediate benefits to the Senator:

1) His office will receive a statewide mailing list on tape. This list will include approximately 900,000 names, and selection will be possible on zip, county, and congressional district. The tape will be compatible with the Senator's computer.

2) The Senator will also be able to increase his present mailing list with the completion of the Survey. This would include new categories such as 17-21 year olds, Democrats, Republicans, Independents, Senior Citizens, economic breakdowns, registration status, plus greater targeting capability as it pertains to political units such as precincts, wards, and legislative districts.

3) Although the above benefits are not inconsiderable ones, perhaps the greatest value is that the Survey will be sixty to seventy percent complete when the 1974 election comes around. As you will soon discover, completing the Survey is not an easy task. It is time consuming, and whatever is done in 1972 will be that much less that has to be done in 1974. The Senator's office will be thankful that a great deal was done this year.

4) Finally, the Survey is a valuable instrument in organizing a Party, raising funds, and winning elections. All of these will certainly strengthen the Senator's hand in Iowa politics. Certainly it would be to his advantage to have a Democratic U.S. Senator and Governor in 1974. With his joint control of the lists with Congressman Culver, he will be able to exact certain leverage on candidates for lesser office in the years to come. These types of intangibles are probably more apparent to you than me, and they certainly should not be underestimated.

Now that I have attempted to answer your broad questions, let me turn to the specific questions:

1. The system can be updated for 1974 and all subsequent elections. Essentially, the process involves capturing all new directories, and matching them against the current file, thereby removing all "dead names". New Survey forms which contain all those names which have no political/demographic data are then printed out. These new names are then canvassed and submitted back to the master file. I would hasten to assure you that our update system works and that we have already done it elsewhere. We recognized the importance of the update process at the inception of the Survey and have designed the system to make this process as simple as possible.

2. From a Chicago company we have purchased a national directory of directories. Although it is somewhat less than perfect, we use it as our starting reference point. We collect all directories we can from our offices, and then turn over a list of those missing to the local people. We have already done this and Congressman Culver's staff is now hunting down the missing ones.

3. I think it is inadvisable to have a question on Senator Hughes this year. I can see that it would be of value in 1974, but not now, unless you were interested in the Presidential preference question. However, given that this is his home state, the use of such a question would probably not be wise. I thought it more important to have a question regarding Congressman Culver, but his office declined on the grounds that it should be a Party effort and, essentially, I think that this is a wise decision.

4. I understand that your questions pertaining to the Survey form have been resolved by Dick Clark.

5. Valentine, Sherman and Associates owns the computer tapes, programs, lists and etcetera, until the 1972 election is complete. The only exception to this rule is the tape VSA will provide Senator Hughes' office to be used exclusively for his political mailings. Once the election is over, Senators Hughes and Culver will jointly own the political tapes (probably a separate copy each). After November, 1972, Valentine, Sherman and Associates maintains and owns all programs, systems designs, and commercial rights to the names and addresses which does not include any of the data collected on the Survey.

6. While the project is being completed and after the list is compiled, Senator Hughes and Congressman Culver control the material. That is to say that Valentine, Sherman and Associates will never sell the political list to anybody without their approval. In the past, we have established a system whereby all orders for lists, labels, and etcetera, came through the Party or Senator's offices. This is crucial for many reasons, not the least of which is to coordinate a campaign so as not to overkill the constituents with calls and mailings.

7. Yes, we expect to have some sort of written agreement pertaining to tasks performed, schedules, costs and etcetera. In the past we have always involved lawyers in the process. I think that this would be unnecessary at this stage, for our counsel has never been able to protect us in the one matter that counts -- payment. Consequently, we have developed a policy which can be simply stated: no money, no work. We do not intend to depart from this policy. As to the particulars of the agreement between Hughes/Culver and VSA, I expect to be working them out with Dick Clark in the near future. For the time being, I am proceeding with all work based on AMPI's commitment. However, I wish you would submit to me the type of agreement you feel would be satisfactory to all parties involved.

8. Costs are as follows:

   a. Labels -- $2.00 per M -- Cheshire variety.
   b. Labels -- $4.00 per M -- Heat transfer type.
   c. Labels -- $6.50 per M -- Pressure sensitive.
   d. Computer letters -- 13¢ each -- Including 3rd class mailing costs.
   e. Computer letters -- 4¢ each -- produce flat, unfolded.

f. Lists -- $3.00 per thousand names.
g. 3x5 Cards -- $3.00 per M (plus stock costs).
h. Computer postcards -- 10¢ each -- Including 3rd class postage.

The only qualification to the above is that all orders have $50.00 minimums. Computer letters and postcards can be reduced with sufficient quantity and lead time. Finally, all of the sample selections you indicated would be included in these price schedules.

9. As stated earlier, the Hughes/Culver organization will never own any of the programs. However, once the tape is completed, you are not talking about a very difficult computer program to select and print out. Certainly if we cannot service you for any reason, then by all means you should use alternative computer sources. Another point of importance is that, although this is not binding, VSA does request the opportunity of maintaining the political tapes here in Minneapolis for the purpose of servicing the Iowa Democratic Party and its candidates, with the exception of Senator Hughes' and Culver's tapes which are to be used in the Senate Computer Facility.

It is important that you realize that all of our company's profit projections are partially based on this type of anticipated service -- i.e., letters, labels, and etcetera. It is precisely for this reason that our cost is as low as it is. At best, this sort of an arrangement is a gentlemen's agreement, for we don't make it binding nor do we demand any guarantee as to useage. Moreover, if at any time we cannot provide competent service with regard to cost, quality, and turnaround time, then we would expect our clients to find services elsewhere. Because of this expectation on our part, I am certain you will be entirely satisfied with our service.

10. This question is best answered on page 1, item 2.

Clark, I too look forward to working with you on this project and I think you are entirely correct in your belief that our work will be of great benefit to all Iowa Democrats.

Sincerely,

Jack Valentine

Jack Valentine

JAV:mc

Copy: Dick Clark, Office of Congressman Culver

HUMPHREY EXHIBIT NO. 4

May 19, 1971

Mr. Bob Miller
Office of Congressman John Culver
Federal Building
Cedar Rapids, Iowa

Dear Bob:

I am anxiously awaiting word from you and Dick Clark regarding the possibility of our company's serving Iowa and Congressman Culver's campaign. I would appreciate it if you would send me a copy of the schedule you outlined over the telephone as I think I could make some helpful suggestions.

In any event, please keep me posted and I will let you know the outcome of my conversations with the Hughes office.

Sincerely,

Jack Valentine

JAV:mc

HUMPHREY EXHIBIT NO. 5

VALENTINE, SHERMAN
AND ASSOCIATES
3050 METRO DRIVE, MINNEAPOLIS, MINN. 55420
PHONE (612) 727-1570

July 12, 1971

Congressman John Culver
c/o Mr. Dick Clark
Federal Building
Cedar Rapids, Iowa

Invoice #16½

Description	Amount
Balance of Iowa Voter Information Survey due on or before completion date. Anticipated completion date is June, 1972.	$10,000.00

#16½ - This should have been our invoice - Pls. pay this one - Thx. Invoice #1320

HUMPHREY EXHIBIT NO. 6

May 14, 1971 Oklahoma

The Honorable David Hall
Office of the Governor
Oklahoma State Capital
Oklahoma City, Oklahoma 73105

Dear Governor Hall:

Just a brief note to thank you and your staff for the courtesy and time you extended to Mr. Bill Connell and me during our recent visit to Oklahoma City. Hopefully, I am looking forward to many more visits. Perhaps in the near future when we can get together with AMPI, we may be able to get a project started in Oklahoma.

In any event, I wanted to thank you again for your time and courtesy, and I will be in contact with you in the very near future.

Sincerely,

Jack Valentine

JAV:mc

HUMPHREY EXHIBIT NO. 7

MEMO .

Date: July 20, 1971

From: Jack Valentine

Re: MEETING IN OKLAHOMA

1. G.H. - Party of 1st Part
2. C.E. - Party of 2nd Part

G.H. and C.E. are going to do this together, but nobody, but nobody is to know about it. It will be done under the auspices of G.H. All work for C.E. will have to be done elsewhere. All work for C.E. has to come thru some outside -- mutually agreed upon party. Any or all other work for anybody in Oklahoma must come thru G.H. and representatives.

For Joe -- suggested proposals on how to handle it, i.e., financing and etc. ½ AMPI, ½ C.E., ½ admin. G.H.

For Jim H. -- a firm contract -- what we want, suggested proposal, organization -- suggested schedule, work in Glayds here.

Send off this work to Hilton Marina - Sioux City, Iowa, for Monday, Tuesday, and Wednesday meeting. Be emphatic about our needs: 1) payments; 2) commercial rights; 3) pres. mailing.

Finally, set up meeting with C.E. next Thursday or Friday and conference call will be place to iron out details.

Good meeting!

HUMPHREY EXHIBIT NO. 8



VALENTINE, SHERMAN AND ASSOCIATES
3050 METRO DRIVE, MINNEAPOLIS, MINN. 55420
PHONE (612) 727-1570

July 21, 1971

Mr. Jim Hart/Mr. Joe Carter
Office of Governor David Hall
Oklahoma City, Oklahoma 73109

Gentlemen:

Attached is a brief proposal for the use of our services in a voter identification, registration drive, and get-out-the-vote campaign in the state of Oklahoma. copy b

Our efforts are directed toward identifying supporters of the Democratic Party and then turning them out by means of a phone campaign and/or a prior direct mail campaign.

Where we have worked, the statistics indicate an increased vote for our candidates, even if nothing but the get-out-the-vote campaign is done well. But beyond the get-out-the-vote campaign, the lists we develop, because of their selectivity, are valuable politically, if used wisely, for persuasion, voter registration, and fundraising.

In earlier campaigns, we have worked successfully in Minnesota, North Dakota, Tennessee, Kentucky and South Carolina. We are already at work in Minnesota, North Dakota, Iowa, and New Hampshire for the 1972 campaigns, and shortly will begin work in at least five additional states.

Our success has been clear wherever we have worked -- more Democratic votes than the candidate expected. Since our best salesmen are the political people for whom we have worked, we urge someone in your office to talk to Congressman Bob Bergland, Senator Quentin Burdick, or Senator Hubert H. Humphrey. Any of them can testify to the value of the Survey.

We are now at work, as I mentioned, in New Hampshire. A careful comparative analysis of the worth of our approach as opposed to alternative methods of voter identification and turning out the vote was conducted by Larry Smith in Senator McIntyre's office.

They began with a pilot project in Salem and Manchester to study the feasibility of performing the Survey in New Hampshire, and have recently decided to do the entire state. Their experience and opinions may be of interest to you.

Nordy Hoffman in the Senate has had the opportunity to examine our work. Mike Berman of Senator Mondale's office has made as close a study of our services as anyone else on the Hill. Both of them may also have views of interest to you.

There is nothing mysterious about our work, but we are not at present aware that we have any competitors. We think this is because we have a good track record. We have never promised more than we can produce; indeed, we have invariably produced more than we have promised.

The lists we produce become a powerful political tool. You are buying a system which can be updated and improved through use during any incumbency. You are buying a tool that is useful in legislative races, in congressional races, and in other statewide races. We think we are selling success in 1972 and political power then and in the years to come.

If you have any questions regarding this proposal or any aspect of the Survey, I am, of course, available any time you and your assistants would like to see me. I can be reached in Minneapolis at 612-727-1570.

PROPOSAL

Our basic program is to capture (i.e., keypunch or type and scan onto magnetic tape) all the telephone directories in the state. You begin, therefore, with a list of all residences with a phone in Oklahoma: name, address, zipcode, and a political subdivision which we insert, congressional district and county.

In consultation with your office, we prepare a questionnaire including those questions which you think most relevant to the political needs in Oklahoma.

These questions would probably include registration status (which can be put on forms by volunteers) and party preference and various types of significant demographic and political information. Examples of such information would be: members of household between 17 and 21; school age children; Governor Hall's performance rating. (See sample forms in the kit which I left.)

These questions are answered through a phone survey conducted by volunteers. We would train the volunteer supervisors or the volunteers themselves in a brief training program.

When the survey is completed, and the forms are returned to Valentine, Sherman, and Associates in Minneapolis, VSA computer processes the information, and the results of the survey are returned to you in a form you desire for use in registration drives and getting out the vote.

An alternative method which we have used recently in other states would be to take the voting lists from the registrars, and match them with the phone list. This method is more expensive but it will provide you with a vastly superior tool with which to approach the problem of your registration drive. (This operation will be discussed in detail below.)

The Oklahoma Democratic Congressional delegation's use of the frank for non-political mail is a useful and valuable one. If the Governor could persuade the members of the delegation to use his lists for mailing, two important benefits would result.

First, the list would be constantly updated. Such a list, prepared now and cleaned in coming months, gives you a first-rate mailing list for fundraising letters and target mailings.

Secondly, instead of mailing by the normal procedure of affixing labels to manila-colored envelopes with an innocuous questionnaire or standard format newsletter, the delegation and the Governor could do a personalized computer letter on their stationery to selected homes in the state during the non-political months ahead. A procedure could easily be developed whereby the letters could be printed and mailed on a staggered schedule to enhance the idea that your communication is a personal one, and not a "blanket" mailing. Folding and stuffing in a window envelope for the Governor can be done with your own facilities. The Washington delegation can use House facilities for this procedure.

FUNDRAISING

Another technique useful in gaining visibility is a soft-sell fundraising program we have developed. Although we don't try to sell it as a way to pay for the entire Survey, we do think that with proper management it is a useful technique for limited fundraising.

Direct mail fundraising which is intended to raise significant amounts beyond its cost depends on very selective lists. Old contributors, and people hooked on a hot issue which the candidate somehow personifies, may give large amounts.

Our lists lend themselves to mass fundraising intended to pay for the cost of the mailing, and most importantly, to get the candidate into the home. The person who gives money is likely to talk for you, and vote for you, if for no other reason than to protect his investment, though it may only be a dollar. Those who don't send money have at least received a letter and some campaign literature.

Any fundraising you do by computer letter will essentially pay for itself at a 3% return of $5.00 each. Most direct mail experts expect 50% of what they are going to get within 8 or 9 days, with the rest strung out over an indefinite period. (In the sample table below, I use a week instead of eight or nine days. It is about as accurate, and neater. I also arbitrarily suggest that all you are going to get will come in within a two month period.)

A $5,000.00 revolving fund dedicated to fundraising and reimbursed from the proceeds will permit 10,000 letters a week to be mailed for four weeks. If it came up to par, the process could be extended indefinitely until all the households in Oklahoma had been contacted, or you might want to send only to Democrats in high income areas. There are obviously a variety or selections that could be made for fundraising.

Obviously at any point along the way, you could estimate how well you are doing, either stopping, changing, or speeding up this kind of fundraising effort.

If the pilot project either paid for itself or was close enough to make it worthwhile, you could send letters to any selection from the lists we developed: high income urban Democrats, certain counties, all Democrats everywhere, etc.

Another important by-product which inevitably results from the Survey is the development of a statewide precinct volunteer organization. This type of organization has been underestimated and severely neglected in modern political history. Where we have done the Survey in the past, we have generated an abundance of volunteer help for Election Day operations such as Phonerama, door-to-door, and poll-watching.

We strongly urge the use of volunteers to do the phone survey. It is not only cheaper by far, but it has the political advantage of stirring up a volunteer organization at a time when there is relatively little for volunteers to do. It should in no way conflict with other activities of a campaign which require volunteer help. Our consistent experience is that volunteers, properly (though briefly) trained, will do a good job, and in some ways more importantly, will enjoy what they are doing and talk to many more people about it.

This has been consistently true in our past experience, and it will be true in Oklahoma as well.

VOLUNTEER WORKERS

The Valentine, Sherman, and Associates Voter Information Survey is a program specifically designed for volunteer home workers. Consequently our volunteers are usually housewives, primarily because they have the time while they are at home and often like to have something to do that involves them with activity that is not kitchen or kid-oriented. High school and college students are very good. High school kids particularly are good if you can get them together at a phone bank under minimum adult supervision. We have tried retired people because they had plenty of time, but find them, with some important exceptions, of limited value. If you can find a competent, non-garrulous older person, he or she can often do a tremendous amount of work.

One volunteer, at home, who will spend ten hours a week doing the phone canvass for two weeks can complete 200 calls. This assumes six or seven questions and average competence and drive. Some complete many more calls, some fewer.

Oklahoma has approximately 630,000 homes to be surveyed. You should plan on six months to complete the survey: one month to organize; at least three months of intensive work; two months for cleaning up what hasn't been done.

Volunteers needed per congressional district:

You will need 60-75 volunteers to complete a district in 4 months.
130 volunteers 2 months.
262 volunteers 1 month.

Two other major benefits accruing to the Governor from the Survey would be (1) polling operations and (2) leverage with other Democratic candidates in Oklahoma.

(1) The Survey itself provides a ready-made poll of constituent feelings which is broken down according to the groups that the Survey identifies. In addition, we can use Survey information as a base from which to develop both random-generated and stratified-sample polls for any political unit -- for example, a congressional or legislative district. The benefits of this are inexpensiveness, extremely fast turnaround time, and highly effective "tracking" type polling.

(2) Finally, by developing these lists, you will be able to exact certain leverage on all other Democratic candidates in the state of Oklahoma. By providing lists, labels, and etcetera to other candidates, Governor Hall can exact unity and loyalty to the head of the ticket. It has been our consistent experience in past states that when lists are made available to all candidates, a synergistic effect is produced -- that is to say, candidates for lesser office turn out votes that the head of the ticket may not be able to reach, and vice versa.

COST

The cost of our basic program for Oklahoma is $60,000.00, payable in three equal installments. We think that the cost of our service is not high in terms of what we deliver, or in terms of productive contact per likely voter as compared to other political methods.

We believe that what we have is a refined tool which is particularly useful where the cost or availability of television and radio make direct mail most efficient.

The basic program includes: (1) telephone directory capture; (2) printing of those names on specially designed optical-scan input forms; (3) telephone survey performed by Oklahoma volunteer organization which we train; (4) computer processing of returned materials; (5) three sets (that is to say, 1 original and 2 carbon copies) of all information in the sequential order desired by the client, and three sets of labels (again, one original and two carbons). Any other work we do-- i.e., additional labels, letters, etc. -- requires cash with order. (See attached price schedule.)

HUMPHREY EXHIBIT NO. 9

Kansas

October 12, 1971

Notes on my trip to Kansas ~~xxx~~ October 6. $450 was spent as follows: $200 for Norman's trip from Washington to Kansas, Jack Valentine's two trips $100 each from Minneapolis to Kansas City, car rental on Oct. 6 of $30 and $20 miscellaneous expenses.

The meeting on the 6th was held at 3:00 P.M. at the Downtown Holiday Inn, room 109, State Democratic Headquarters, Topeka. Those present at the meeting were Tom Corcoran, Democratic National Committeeman, Kansas, Pat Burnau, Governor's Adm. Asst., Marv ?, Democratic President of YD'S and also a young lawyer from Wichita, Norbert Dryhling who was a State Democratic Chairman and Governor Docking who made a later appearance and Norman Sherman and Jack Valentine.

General thoughts on the meeting: Everybody was quite impressed and very easy to sell. Obviously the program was well advanced before our arrival by Mr. Bill Connell and the AMPI people. Particularly impressed and enthusiastic was Pat Burnau and Norbert Dryhling. Dryhling was somewhat skeptical of doing the First Congressional District which is the Western ~~Third~~ District in Kansas. The major problem there has been with a large turnout Governor Docking usually gets beaten very substantially. However, with a light turnout he usually does very well (this is a good point to remember for our final proposal to them). Docking also talked about some general strategy which would make Senator Pearson - who is in reality a moderate Liberal Republican - appear to be a flaming Liberal as compared to the good, conservative Kansas Governor Docking. In order to perpetrate this they would like to mail to Republicans under the guise of a Republican.

This was actually my second meeting with Tom Corcoran who I had met some months previously with Bill Connell in Kansas City. That was the time the Governor was hospitalized for his bad back and our meeting was cancelled. Corcoran is an old personal friend and political ally and Connell and I presume even a closer supporter of Humbert Humphrey. In any event I detect Corcoran was very pleased with himself for putting together this package with the Governor, AMPI and VSA.

Additional things we said.

1. VSA would match at no cost all registration records available in Kansas if they were already on EDP.

2. We would capture all registration records for $20/M for names.

3. Mr. Burnau is supposed to start immediately to look for registration records and research for form and availability.

9 Cy 4 - Valentine
11/2/71

4. Must send letter of summary of meeting to Norbert Dryhling with cc to Mr. Burnau and Corcoran.

5. Must also send price quotes for fund raising post cards and polls, etc.

6. It was agreed that AMPI would pay VSA directly for their portion. The NEA will take one district, Dr. Roy's district.

7. VSA will try to get another $10,000 for the project from the Teamsters; if not possible then Kansas will only do 4 and not the 5 district states. Kansas will pay $5,000 themselves.

8. We talked about a beginning date in early January with 4-6 months completion

Reminder: JV to call Carlos Moore re Teamster money in Kansas

HUMPHREY EXHIBIT NO. 10

January 21, 1970

Mr. David Parr
Associated Milk Producers, Inc.
P. O. Box 6539
Little Rock, Arkansas 72209

Dear Dave:

I mentioned to you an excellent attorney in Minnesota who has a great deal of experience in dairy and milk matters and one whom I think would be most helpful to AMPI in Minnesota and the surrounding region.

For the time being I think that his services could be made available for a retainer of $5,000 a year, and I would suggest that if this is satisfactory you make contact with him and put him to work. His name is Jack Chestnut and he is the senior partner of his law firm. The address is Suite 854, Midland Bank Building, Minneapolis, Minnesota 55401, phone: 612/333-6513.

It was splendid seeing you. I thought the meeting with Al Barkan was an excellent beginning of what I anticipate will be a long and useful relationship with COPE.

Best wishes.

Sincerely yours,

William Connell

bcc: Jack Chestnut

HUMPHREY EXHIBIT NO. 11

August 2, 1971

Mr. Harold Nelson
ASSOCIATED MILK PRODUCERS, INC.
P.O. Box 32287
San Antonio, Texas 78216

Dear Harold:

Here is the contract which protects all parties. It was drawn up by my attorney, Jack Chestnut. If you have any questions, please contact him in Minneapolis.

I suggest you start a file folder on VSA and AMPI and we will send appropriate memos regarding this project. Enclosed in this mailing is a past invoice regarding the consulting services of the contract marked paid and an invoice for $25,000.00, again covered according to the terms of this contract. Please sign the contracts and return one to me for our files.

Thank you very much for your attention on this matter. I look forward to working with you in the future.

Sincerely,

Jack Valentine

JAV:mc

Enclosures

August 3, 1971

Mr. Dave Parr
Associated Milk Producers
6423 Forbing Road
Little Rock, Arkansas 72204

Dear Dave:

I have consulted my attorney, Jack Chestnut, and we have taken the necessary steps to cover all parties concerned regarding AMPI's payment to Valentine, Sheiran and Associates. We have drawn up the necessary agreement, of which there is a copy enclosed, and forwarded it to Harold Nelson. According to the terms of the agreement, the second payment of $25,000.00 is now due, and a copy of the invoice for said amount is enclosed for your initials and forwarding to Mr. Nelson.

If you have any questions regarding this matter, please contact me or Jack Chestnut.

I thank you in advance for your prompt attention to this matter.

Sincerely,

Jack Valentine

JV:mc

Enclosure

AGREEMENT

Valentine, Sherman and Associates, hereinafter referred to as VSA, and Associated Milk Producers, Inc., hereinafter referred to as AMPI, mutually agree that VSA shall undertake the task of compiling a computerized master file of persons with rural addresses for AMPI. It is expected that a large percentage of such a list will be farmers or farm-oriented families. These lists shall be prepared, processed, and maintained by VSA in their Minneapolis office. Moreover, it is understood that this list is desired by AMPI for use in direct mail and/or marketing services as they may pertain to its commercial needs. The materials shall not be used for any other purpose without the prior authorization of VSA, which has exclusive ownership rights to the material.

It is further understood by both parties that VSA will not proceed on enlarging the lists or materials unless it has at least verbal agreement from AMPI officials. At any time, AMPI can terminate the contract upon written notice to VSA.

It is expected, however, that this agreement shall continue for at least two years, through June of 1973. Now therefore, in consideration of this agreement, AMPI agrees to pay the sum of Twenty-Five Thousand Dollars ($25,000.00) forthwith to VSA for its consulting services over the two-year period. Upon receipt of same, VSA shall proceed to form the rural route directory list and keep list updated on the basis of said list. It is expected that within six to eight weeks of the date

of this agreement, VSA will invoice AMPI for an additional $25,000.00 based on the computer work performed during that interim.

VALENTINE, SHERMAN AND ASSOCIATES

By _____

Date _____

ASSOCIATED MILK PRODUCERS, INC.

By _____

Date _____

HUMPHREY EXHIBIT NO. 13

AGREEMENT

Valentine, Sherman and Associates, Inc. and Associated Milk Producers, Inc. mutually agree that Valentine, Sherman and Associates shall conduct a survey in the State of Iowa to provide lists of persons with rural addresses and telephone numbers, a large percentage of which are expected to be farmers, and also to provide any other list that will provide access to farm-oriented families. These lists shall be so prepared and processed and delivered to AMPI that they can be utilized in direct mail campaigns of Associated Milk Producers, Inc. and/or any other marketing devices which AMPI shall desire for their own purposes, and shall be so further prepared as AMPI may from time to time direct.

It is also further agreed that these materials shall be used exclusively for the purposes of AMPI and shall not be used for any other purposes without the prior authorization of Valentine, Sherman and Associates, Inc.

NOW THEREFORE, in consideration of the above AMPI agrees to pay the sum of Twenty Five Thousand Dollars ($25,000.00) forthwith to Valentine, Sherman and Associates, Inc. Upon receipt of same they shall commence work and deliver the product to AMPI within a reasonable period of time.

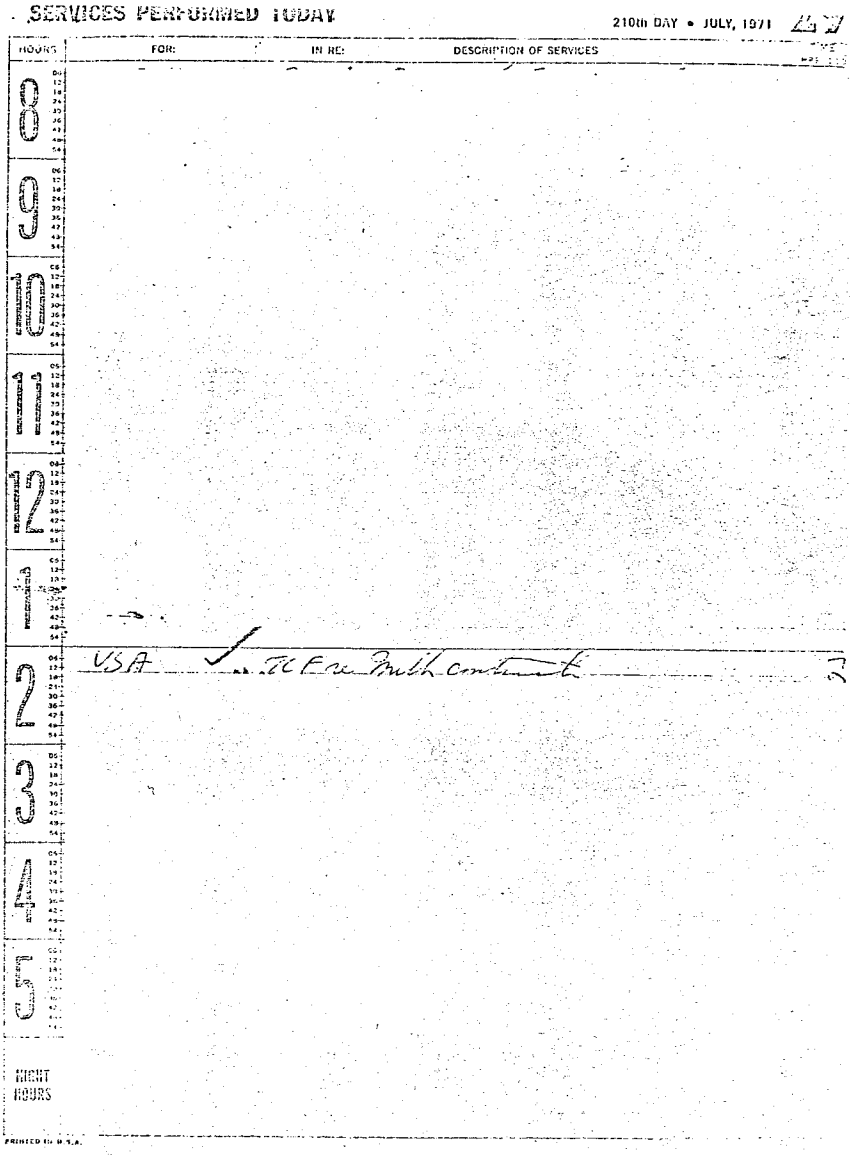
VALENTINE, SHERMAN AND ASSOCIATES, INC.

By_____

ASSOCIATED MILK PRODUCERS, INC.

By_____

HUMPHREY EXHIBIT NO. 14



HUMPHREY EXHIBIT NO. 15

INVOICES AND CHECKS RELATED TO
AMPI PAYMENTS TO VSA

I. Current invoices (issued shortly before or after the payment) are on file for the following payments to VSA by AMPI:

Invoice Date	Invoice #	Amount	AMPI Ck #	Date Paid
6/15/71	157	$25,000	7830	7/16/71
*7/30/71	163	25,000	8578	8/25/71
*9/24/71	168	7,000	0630	10/18/71
11/11/71	460	15,000	1469	11/15/71
11/8/71	459	12,500		

Total Covered by Current Invoices -- $84,500

II. Fabricated invoices were produced for AMPI payments as follows and were turned over to Bob Lilly in Minneapolis Airport on March 23, 1972.

Invoice Date	Invoice #	Amount	AMPI Ck #	Date Paid
5/10/71	157	$25,000	7830	7/16/71
5/31/71	163	25,000	8578	8/25/71
6/10/71	168	7,000	0630	10/18/71
8/9/71	415	27,500	1469	11/15/71
*9/1/71	459	15,000	2191	12/21/71
*9/24/71	460	10,500		
11/12/71	473	20,000	2353	12/29/71
12/1/71	474	7,000		
		137,500		

*See Parr Exhibit File

AK:go

HUMPHREY EXHIBIT NO. 16

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD H. BAKER, JR., TENN. VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
JOSEPH M. MONTOYA, N. MEX.

SAMUEL DASH
CHIEF COUNSEL AND STAFF DIRECTOR
FRED D. THOMPSON
MINORITY COUNSEL
RUFUS L. EDMISTEN
DEPUTY COUNSEL

United States Senate
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

TO: DON SANDERS

FROM: BRENDA ROBESON

DATE: JANUARY 20, 1974

SUBJECT: AMPI FLIGHTS INTO MINNEAPOLIS

02/02/71	Dallas - San Antonio - Minneapolis - Hyannis - Minneapolis - Dallas - San Antonio (Anderson and Nelson)
07/28/71	San Antonio - Minneapolis - San Antonio
10/08/71	San Antonio - Little Rock - Minneapolis - Little Rock - San Antonio
10/17/71	San Antonio - Little Rock - Minneapolis - Washington, D.C.

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SABRELINER MODEL 60 LICENSE NO. N 96JR DATE 2-1-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	SAT	DAL			248.6	250.3	1	7				510	
2.													
3.													
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE — DAILY TOTALS

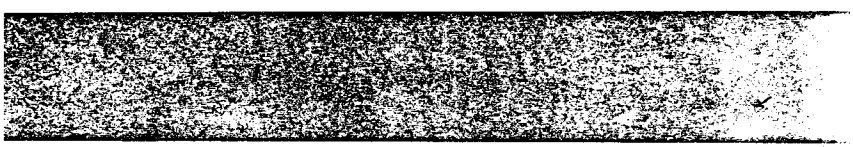
	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	248.6	248.6	248.6		
TODAY'S TIME	1.7	1.7	1.7		
TOTAL TIME	250.3	250.3	250.3		

TIME – HOURS AND TENTHS OF HOURS

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1ST PILOT FRANTON 2ND PILOT COWAN



ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SABRELINER MODEL 60 LICENSE NO. N 96JR DATE 2-2-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	DAL	SAT			248.3	250.1		8				297	
2.	SAT	MSP			250.1	252.1	2	0				413	
3.	MSP	HVN			252.9	254.9	2	0				433	
4.	HVN	MSP			255.9	258.5	2	6				413	
5.	MSP	DAL			258.5	261.3	2	8					
6.	DAL	SAT			261.3	263.7		14					

LIST PASSENGERS AND "X" FLIGHTS MADE — DAILY TOTALS 11 4

	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	250.3	250.3	250.3		
TODAY'S TIME	11.4	11.4	11.4		
TOTAL TIME	261.7	261.7	261.7		

TIME – HOURS AND TENTHS OF HOURS

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1ST PILOT 2ND PILOT

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE Saber MODEL 60 LICENSE NO. N 91R DATE 7-28-71

FLIGHT NO	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	SAT	IMS1?			585.1	587.5	2	4				168	
2.	IMSP	SAT			587.5	590.2	2	7				966	
3.													
4.													
5.													
6.													
LIST PASSENGERS AND "X" FLIGHTS MADE					DAILY TOTALS		5	1					

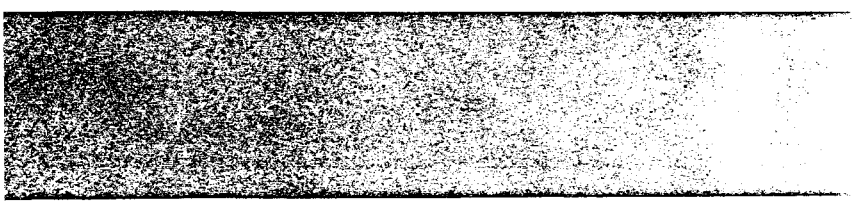
	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	585.1	585.1	585.1		
TODAY'S TIME	5.1	5.1	5.1		
TOTAL TIME	590.2	590.2	590.2		

TIME – HOURS AND TENTHS OF HOURS

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1st PILOT BFIL 2nd PILOT GOGGANS



ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SABER MODEL 60 LICENSE NO. N 961R DATE 7/29/71

FLIGHT NO	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	SAT	[illegible]			596.2	[illegible]	3	[illegible]				[illegible]	
2													
3.													
4.													
5.													
6.													
LIST PASSENGERS AND "X" FLIGHTS MADE					DAILY TOTALS		[illegible]						

	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	596.2	596.2	596.2		
TODAY'S TIME	[illegible]	[illegible]	[illegible]		
TOTAL TIME	[illegible]	[illegible]	[illegible]		

TIME – HOURS AND TENTHS OF HOURS

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1st PILOT [illegible] 2nd PILOT [illegible]

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SABER MODEL 65 LICENSE NO. N 961R DATE 11/5/71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	[illegible]	LIT			709.4	710.6	1	2				4[illegible]	
2.	LIT	MSP			710.6	712.1	1	5				[illegible]	
3.	[illegible]	LIT			712.1	713.6	1	5				[illegible]	
4.	[illegible]	SAT			713.6	715.1	1	5				[illegible]	
5.													
6.													
					DAILY TOTALS		5	7				[illegible]	

LIST PASSENGERS AND "X" FLIGHTS MADE

1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		

TIME – HOURS AND TENTHS OF HOURS

	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECT'N
TIME BROUGHT FORWARD	709.4	709.4	709.4		
TODAY'S TIME	5.7	5.7	5.7		
TOTAL TIME	715.1	715.1	715.1		

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1	2	3	
4	5	6	

1ST PILOT BFCC 2ND PILOT CREW HR

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE [illegible] MODEL [illegible] LICENSE NO. N 961R DATE [illegible]

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	[illegible]	[illegible]											
2.	[illegible]	SAT			711.1	712.1	1	1				42[illegible]	[illegible]
3.					712.1	713.6	1	4				45[illegible]	[illegible]
4.													
5.													
6.													
					DAILY TOTALS							[illegible]	

LIST PASSENGERS AND "X" FLIGHTS MADE

1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		
1	2	3				1	2	3				1	2	3				1	2	3		
4	5	6				4	5	6				4	5	6				4	5	6		

TIME – HOURS AND TENTHS OF HOURS

	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	[illegible]	[illegible]	[illegible]		
TODAY'S TIME	2.5	[illegible]	2.5		
TOTAL TIME	712.1	[illegible]	[illegible]		

INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

1ST PILOT [illegible] 2ND PILOT [illegible]

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SABRE MODEL 60 LICENSE NO. N 961R DATE 10-22-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	SAT	LIT			728.8	[illegible]	1	5				457	[illegible]
2.	[illegible]	[illegible]			730.3	732.7	2	4				840	[illegible]
3.	[illegible]	[illegible]			732.7	734.8	2	1				792	[illegible]
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE — DAILY TOTALS 5.0 — 2139 [illegible]

	1	2	3
	4	5	6
	1	2	3
	4	5	6
	1	2	3
	4	5	6
	1	2	3
	4	5	6
	1	2	3
	4	5	6

	TIME – HOURS AND TENTHS OF HOURS				
	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	728.8	728.8	728.8		
TODAY'S TIME	5.0	5.0	5.0		
TOTAL TIME	733.8	733.8	733.8		

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 -1+0 NO. 2 -0+0

REMARKS: [illegible]

1ST PILOT BLANTON 2ND PILOT COWAN



ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE [illegible] MODEL [illegible] LICENSE NO. N [illegible] DATE [illegible]

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	TACH TIME IN	FLYING TIME HRS.	FLYING TIME TEN.	GAS TAKEN ON	OIL TAKEN ON L. ENG.	OIL TAKEN ON R. ENG.	MILES FLOWN	PASS. MILES
1.	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]				[illegible]	[illegible]
2.	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]				[illegible]	[illegible]
3.	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]				[illegible]	[illegible]
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE — DAILY TOTALS [illegible]

	1	2	3
	4	5	6
	1	2	3
	4	5	6
	1	2	3
	4	5	6
	1	2	3
	4	5	6
	1	2	3
	4	5	6

	TIME – HOURS AND TENTHS OF HOURS				
	AIRCRAFT	LEFT ENG.	RIGHT ENG.	SINCE OIL CHANGE	SINCE INSPECTION
TIME BROUGHT FORWARD	[illegible]	[illegible]	[illegible]		
TODAY'S TIME	[illegible]	[illegible]	[illegible]		
TOTAL TIME	[illegible]	[illegible]	[illegible]		

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS: [illegible]

1ST PILOT 2ND PILOT

HUMPHREY EXHIBIT NO. 17

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD H. BAKER, JR., TENN. VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
JOSEPH M. MONTOYA, N. MEX.

SAMUEL DASH
CHIEF COUNSEL AND STAFF DIRECTOR
FRED D. THOMPSON
MINORITY COUNSEL
RUFUS L. EDMISTEN
DEPUTY COUNSEL

United States Senate
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

TO: Jim Hamilton
Don Sanders
FROM: R. J. Costa RJCosta
Al Keema
DATE: January 29, 1974
SUBJECT: MEETING WITH GARFIELD LOVAAS, ATTORNEY FOR NORTHWESTERN BELL TELEPHONE

Pursuant to our subpoena dated January 21, 1974, a meeting was held at the offices of Northwestern Bell on January 23, 1974, at 1:00 p.m.

Mr. Lovaas provided us with computer records of the long-distance billings on the following telephones for the years 1971 and 1972:

Subscriber	Telephone Number
Chestnut, Burkard and Brooks	612-333-6516
Jack Valentine	612-227-5320
Norman Sherman	612-854-1500
Valentine, Sherman, & Asso.	612-727-1570
Humphrey for President (Washington, D.C.)	202-872-1600

Initial examination of the records of the Chestnut law firm reveals that two calls were made from Miami, Florida to Little Rock, Arkansas on December 29, 1971 and billed to the law firm number. One of these calls was made to the home phone of David Parr (AMPI) at 10:00 p.m., presumably by Mr. Chestnut.

Valentine and Sherman claim that Chestnut arranged to have AMPI pay $25,000 to VSA against the outstanding indebtedness of the Humphrey Campaign in December of 1971. The last check written to VSA by AMPI was one for $27,000 dated December 29, 1971, the same date as the telephone call to Parr.

1
L.R info operator gives Parr home number in N.L.R as 753-6969. Costa says other number is also Parr.

We have thus far been unable to determine the identity of the second individual called in Little Rock, but both calls were placed within the same hour according to the telephone records (see attached).

go

(Toll Detail is printed between the asteriks)

COLUMN	
1-10	serial number
7-10	connect time if DDD or T.S.P.S.
11-20	R.A.O. Central Office, line number (billing number)
25-27	Call record identification, i.e. 100 - operator handled 101 - D.D.D.
28-31	date - month and day
46-47	connect hour
54-56	number of minutes - length of call
57-61	charge
62-71	terminating number (Area, Central Office, line number)
72-79	originating number (NPA, Central Office, line number)
85-94	From place
95-108	To place

A560 H200 TAPE DUMP

DIRECTIVE= *HUNT/14,20/
Chestnut Brooks + Buckard - Tax Firm
DIRECTIVE= E/3336513/*

```
LABEL REC= 1HDR          -001 0109300001720006-060 01B
REC   66693*S7553126861263336513   1300324                    16
           *B2500133411263336513   1341214  1   1          14
           *D2500795431263336513   1341214  2   1          16
           *    10  1263336513     0220000    060167  01
           *JK3705584312633365l3   1221121      1  +       15
           *S7553126821263336513   1201122           +       10
           *B2370259241263336513   1221201  1   1  +       23
           *B2105000001263336513   1221201      1+ +       22
REC   66701*B2     11491263336513   1231201      14 +       11
           *B2     12191263336513   1231201      14 +       12
           *B2     16221263336513   1231201      14 +       16
           *B2400074051263336513   1221202  1   1  +       07
           *B2     10111263336513   1231202      14 +       10
           *B2     15231263336513   1231202      14 +       15
           *B2     15441263336513   1231202      14 +       15
           *B2     16431263336513   1231202      14 +       16
           *B2     17111263336513   1231202      14 +       17
           *       11311263336513   1011203      142+B      1A
           *B2420139221263336513   1221206  1   1  +       12
           *XY3540725712633365l3   1221206  1   1  +       13
           *XY3542834712633365l3   1221206  1   1  +       23
           *XY3544904612633365l3   1221206  2   1  +       13
           *XT     11361263336513   1231206  2   14 +
           *M4114898591263336513   1341206  1   1  +       14
           *B2440136391263336513   1221207  1   1  +       23
           *B2440136691263336513   1221207  1   1  +       00
           *F2     16041263336513   1231207  2   14 +       16
           *XT     11571263336513   1231207  2   14 +
REC   66721*XT     12051263336513   1231207  2   14 +
           *       14031263336513   1011208      142+B      14
           *B2440152261263336513   1221208  1   1  +       00
           *B2470163731263336513   1221209  1   1  +       08
           *B2470277541263336513   1221209  1   1  +       00
           *B2470185451263336513   1221209  1   1  +       23
           *B2     11191263336513   1231209      14 +       11
           *       15421263336513   1011210      14 +B      1E
           *       15441263336513   1011210      14 +B      1E
           *       10231263336513   1011214      14 +B      10
           *B2500119931263336513   1221214  1   1  +       10
           *S7540145571263336513   1201215  2   1  2+1     09
           *S7540147061263336513   1201215      1  +1      13
           *S7540148801263336513   1201215  2   1  +1      09
           *S7540172091263336513   1201215  2   1  2+1     14
           *S7540749141263336513   1201216  2   1  +B      08
           *S7550936171263336513   1201217      1  +B      09
           *B2     21461263336513   1231222      14 +       21
           *       15541263336513   1011223      14 +B      1E
           *D2620394161263336513   1221223      1  +       17
REC   66741*JK0310212212633365l3   1221229  2   1  +       22
           *JK0316311212633365l3   1221229  1   1  +       22
```

Bills? Date hours

for 1977 1971 according

4440050165061233365l3	0 90	SPAIN	MINNEAPOLSMINN*	
4040030014561233365l3	3473000	202WASH	DCMINNEAPOLSMINN*	
4040020014561233365l3	5210000	703ARLING	VAMINNEAPOLSMINN*	
			1263336514 *	
3C3006001802022445236	861	305MIAMI	FLAWASHINGTONDC *	
3430140450013219l	7293953	305612729395 3SYDNEY AUS *		
3C3016003706124342861	3473000	202WASH	DCST PAUL MINN*	
3A3001000100009205052	2969650	202WASH	D CARLINGTON VA *	
3DC0050021561272526 33	2232900	202WASH	DCMINNEAPOLSMINN*	
3DC0160060061233365l5	2232902	202WASH	DCMINNEAPOLSMINN*	
3DC0020008021554669 00	2232900	202WASH	DCPHILA PA *	
3C3018004106127293953	3473000	202WASH	DCMINNEAPOLSMINN*	
34C0040027590422421 71	8721602	202WASH	DCTALLAHASSEFLA *	
30C0210077561233365l5	8721600	202WASH	DCMINNEAPOLSMINN*	
30C0030014561282754 21	8721600	202WASH	DCMINNEAPOLSMINN*	
30C0040019030567320 20	8721602	202WASH	DCMIAMI FLA *	
3CC0030011061282754 21	8721601	202WASH	DCMINNEAPOLSMINN*	
1D1002000605072861878 23336514		MPLS	MINROCHESTER 0024*	
3D3001001456127748010	3473000	202WASH	DCST PAUL MINN*	
3D3002001552028721600	4766171	512AUSTIN	TXWASHINGTONDC *	
3A3001000508172928672	4766171	512AUSTIN	TXFTWRTHWDWDTEX *	
3D3003001552022253244	477	512AUSTIN	TXWASHINGTONDC *	
30C0040018061233365l3	3519238	214DALLAS	TXMINNEAPOLSMINN*	
4440040030061233365l4	9636655	602CHANDL	ARZMINNEAPOLSMINN*	
3C3001001055133516000	3473000	202WASH	DCCINCINNATIOHIO*	
3C3002001402134762185	3473000	202WASH	DCWLOSANGELSCAL *	
3DC0050017520287216 00	3719905	606FLORNCE	KYWASHINGTONDC *	
3DC0070029520287216 00	3519418	214DALLAS	TXWASHINGTONDC *	
30C0020015530537410 07	3519418	214DALLAS	TXMIAMI FLA *	
1D1002000406122577182 23336514		MPLS	MINLINDSTROM 0016*	
3C3003001106124842861	2652000	202WASH	DCST PAUL MINN*	
3D3010003906127293953	3473000	202WASH	DCMINNEAPOLSMINN*	
3C3022004906124842861	2652000	202WASH	DCST PAUL MINN*	
3C3003001106124842861	2652000	202WASH	DCST PAUL MINN*	
30C0180067061233365l5	8721605	202WASH	DCMINNEAPOLSMINN*	
1D1301001152124226000 23336514		MPLS	MINNEW YORK NY *	
1D1002001152124226000 23336514		MPLS	MINNEW YORK NY *	
1D1004001402028721600 23336514		MPLS	MINWASHINGTONDC *	
3D3004001202126825400	7851000	202WASH	DCNEW YORK NY *	
3D3003000756123336513 1727		2020ULUTH	MINMINNEAPOLS0030*	
3D3010001460212422600 01722		2020ULUTH	MINNEW YORK NY *	
3D3002001552124226000 1727		2020ULUTH	MINNEW YORK NY *	
3D3007001756123336513 1722		2020ULUTH	MINMINNEAPOLS0070*	
3D3002001452028721600 2869		202MPLS	MINWASHINGTONDC *	
3D3001001452028721605 2721		202MPLS	MINWASHINGTONDC *	
3CC0280076521347621 85 2232490		202WASH	DCWLOSANGELSCAL *	
1D1010003502028721600 23336514		MPLS	MINWASHINGTONDC *	
3C3002001106123336514	5210000	703ARLING	VAMINNEAPOLSMINN*	
3C3004001405017531587	865	305MIAMI	FLALITTLEROCKARK *	
3D3022001120 5017536969	8664441	305MIAMI	FLALITTLEROCKARK *	
Time elapsed	Number called	Originating Number	Calls From	Place called



Southwestern Bell

James A. Handloser
Security Manager

1111 West Capitol Avenue
Little Rock, Arkansas 72203
Phone (501) 371-5682

April 17, 1974

Mr. Donald G. Sanders
Deputy Minority Counsel
United States Senate Select
Committee on Presidential
Activities
Washington, D. C. 20510

Dear Mr. Sanders:

This is in reply to your letter of April 12, 1974 which forwarded a Subpoena seeking subscriber information to telephone numbers 501-753-1587 and 501-753-6969. Your letter described these numbers as Little Rock telephone numbers. Please note that the telephones are located in North Little Rock, Arkansas.

I am attaching copies of our business office records for the following telephones:

753-6969 - Listed David L. Parr
2605 Justin Matthews Dr.
North Little Rock, Arkansas

753-1587 - Listed David L. Parr
2605 Justin Matthews Dr.
North Little Rock, Arkansas

753-1587 is indicated "non-pub." There is no restriction on 753-6969.

I note that you are interested in the time period December, 1971. The records which I have forwarded were updated in March, 1972 and do not show the actual connect date. I am also attaching, therefore, a copy of the customer's credit card which shows that SK (75) 3-1587 was established in April, 1967 as an additional line at the same location as SK (75) 3-6969, 2605 Justin Matthews Drive, North Little Rock, Arkansas. These telephones were in service at this address in December, 1971.

Very truly yours,

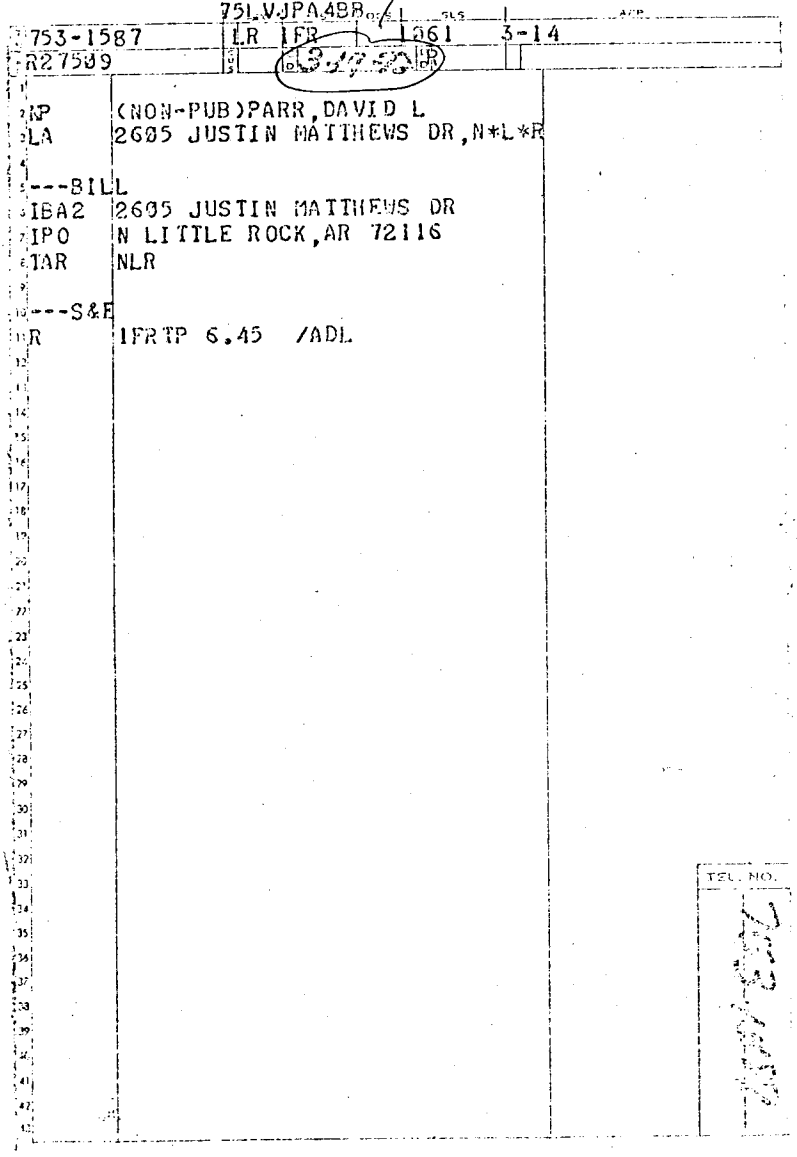
James A. Handloser

Security Manager

Attachments

33-650 O - 74 - 10 (Book 25)

credit card shows connect date 4/67



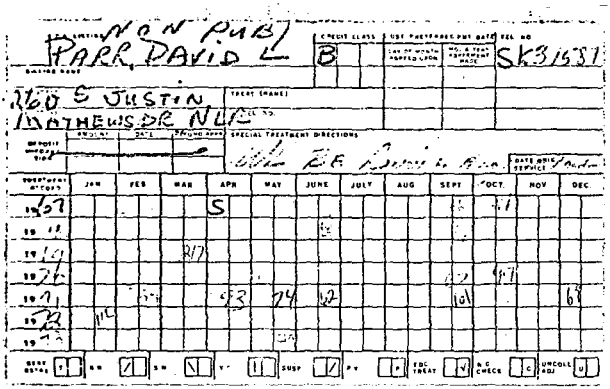
Credit card shows original connect date 8/53

	75EWDVC7BB					
	753-6959	LR	ER	1261	5-15	APP
	R27607		3-15-73			

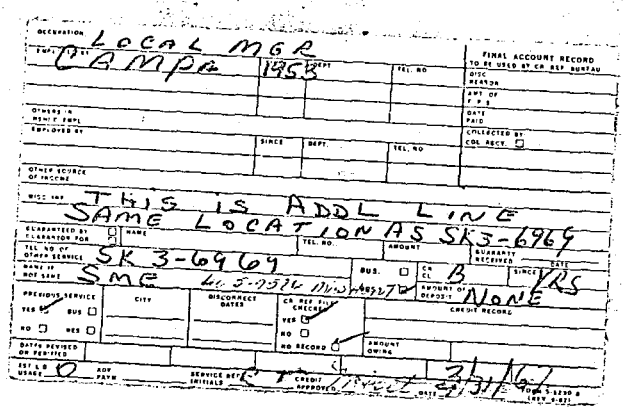
LN	PARR,DAVID L
LA	2605 JUSTIN MATTHEWS DR,N*L*
---BIL	
SNI	D L PARR
IBA2	2605 JUSTIN MATTHEWS DR
IBA3	00
IPO	N LITTLE ROCK,AR 72116
TAR	NLR
---S&A	
R	1FRTW 5.45
R	EXTBC 1.52

TEL. NO.

753-6959


NON PUB
PARR, DAVID L
8
SK3-1587
760 S JUSTIN
MATHEWS DR NW
Attn: RE Supvr L. Gen.
1957 S
1958 11
1959 14
1960 21
1961 9 1 3 4 2 10 6
1962 12 14 5A
1963 11
APR MAY JUNE JULY AUG SEPT OCT NOV DEC

THIS IS THE REVERSE OF ABOVE CARD - REFERS TO SK3-1587


OCCUPATION LOCAL MGR
EMP. CAMPA 1953
FINAL ACCOUNT RECORD
THIS IS ADDL LINE
SAME LOCATION AS SK3-6969
SK3-6969
SME
BUS.
B
YRS
NONE
CITY
DISCONNECT DATES
CR. REF. FILE CHECKED
CREDIT RECORD
DATES REVISED OR PERMITED
EST. L.D. USAGE 0
SERVICE REF. INITIALS
CREDIT APPROVED
3/31/67

HUMPHREY EXHIBIT NO. 18

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD H. BAKER, JR., TENN. VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
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United States Senate

SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

TO: DON SANDERS

FROM: R. J. COSTA R.J. Costa

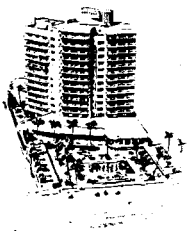
DATE: FEBRUARY 13, 1974

SUBJECT: SEAVIEW HOTEL RECORDS-- CALLS PLACED BY JACK L. CHESTNUT TO DAVID PARR ON 12/29/71

After having reviewed records provided to this Committee, the following should serve as a brief summary.

Mr. Chestnut was registered at the Sea View from December 30, 1971 to January 2, 1972. This appears to be in conflict with records we received from Northwestern Bell which indicate that he made two long distance phone calls from the Sea View on the evening of December 29, 1971. However, the Hotel records for Senator Humphrey indicate that he was being billed for three rooms on December 29, 1971. It appears that Mr. Chestnut may have been occupying one of these rooms on this date. Also, Mr. Chestnut's registration on December 30, 1971 shows that his entire family registered on that date, apparently to celebrate the New Year holiday at the Sea View. It seems logical that Mr. Chestnut's lodging for December 28 to December 29, 1971 was being charged to the Campaign and that once joined by his family, he began to pay for his own accomodations.

Cornell registrations attached.



The Sea View
ON THE OCEAN
9909 COLLINS AVENUE
BAL HARBOUR, MIAMI BEACH, FLORIDA 33154

G. S. Pickard
GENERAL MANAGER

February 8, 1974

REGISTERED; RETURN
RECEIPT REQUESTED

Mr. Robert Costa
Room G-308
Dirksen Senate Office Building
Washington, D. C.

Dear Mr. Costa:

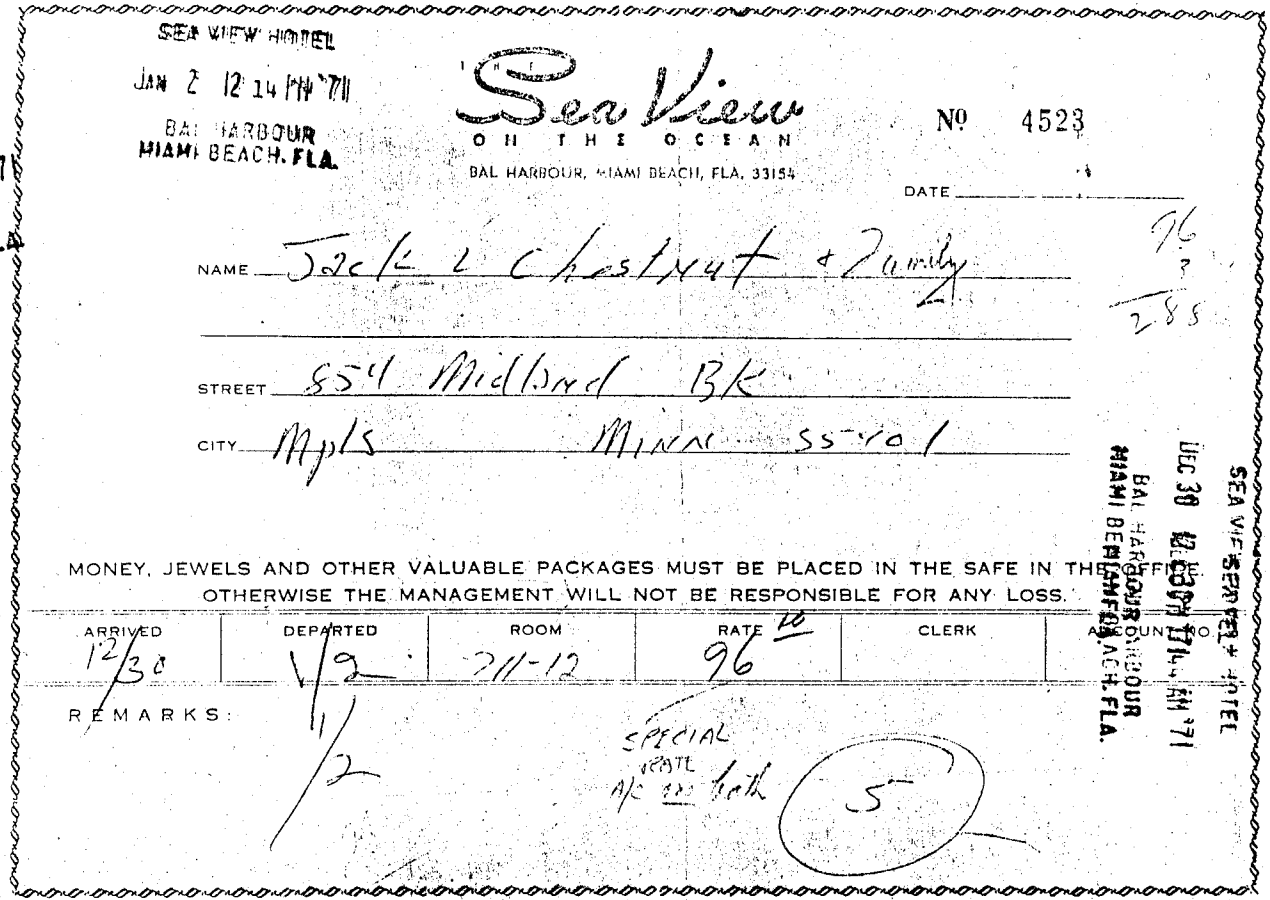
In accordance with our telephone conversation this afternoon, enclosed are copies of our records pertaining to Jack Chestnut's stay here December 30, 1971-January 2, 1972.

Sincerely,

Doris Olsen
Secretary to G. S. Pickard

/d

Enclosures



SEA VIEW HOTEL
JAN 2 12 14 PM '71
BAL HARBOUR
MIAMI BEACH, FLA.

Sea View
ON THE OCEAN
BAL HARBOUR, MIAMI BEACH, FLA. 33154

No 4523

DATE

NAME Jack L Chestnut + Family

STREET 554 Midland Blvd

CITY Mpls Minn 55401

MONEY, JEWELS AND OTHER VALUABLE PACKAGES MUST BE PLACED IN THE SAFE IN THE OFFICE
OTHERWISE THE MANAGEMENT WILL NOT BE RESPONSIBLE FOR ANY LOSS.

ARRIVED	DEPARTED	ROOM	RATE	CLERK	AMOUNT
12/30	1/2	211-12	96 00		

REMARKS: 1/2

SPECIAL RATE A/C [illegible]

5

SEA VIEW HOTEL
DEC 30 12 14 PM '71
BAL HARBOUR
MIAMI BEACH, FLA.

11863

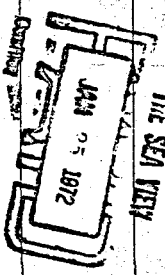
Sea View

ON THE OCEAN
BAL HARBOUR, MIAMI BEACH, FLORIDA 33154

23934

96.00 (5) 12/30 1/2

MEMO	DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PICKUP
1	DEC 30	REST'R 712	A* 9.80		* 9.80	C* 9.80
2	DEC 30	PHONE 711	C* 1.25			
3	DEC 30	ROOM 711	C* 96.00			
4	DEC 30	TAX 711	C* 5.76		* 112.81	B* 112.81
5	DEC 31	L'NDRY 711	B* 6.75		* 119.56	C* 119.56
6	DEC 31	ROOM 711	C* 96.00			
7	DEC 31	TAX 711	C* 5.76		* 221.32	C* 221.32
8	JAN-1	PHONE 711	C* 1.25			
9	JAN-1	ROOM 711	C* 96.00			
10	JAN-1	TAX 711	C* 5.76		* 324.33	A* 324.33
11	JAN-2	PHONE 711	A* .50		* 324.83	A* 324.83
12	JAN 25	PAID		A* 324.83	* .00	
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						



REMARKS:
96.00
5.76

CREDIT CARD NO. | APPROVED BY:

CODE KEY
D - DRESS SHOP
E - BEAUTY SHOP
F - FRUIT SHOP
G - NEWSSTAND
H - SOLARIUM
J - TELEVISION
K - REFRIGERATOR
L - ANNEX RENT
M - TELEGRAM

PAPER PATENTED BY NCR CO

LAST BALANCE IS AMOUNT DUE
BILLS ARE RENDERED AND PAYABLE WEEKLY

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE: Jack J Chesterman

CHARGE TO

ADDRESS: 854 Midland Bank
Mpls Minn 55401

Sea View
ON THE OCEAN

BAL HARBOUR, MIAMI BEACH, FLA. 33154

No 4476

DATE _____

NAME Senator & Mrs H H Humphrey

STREET 550 "N" St S.W.

CITY Washington, D.C.

SEA VIEW HOTEL
JAN 4 10 52 AM '78
BAL HARBOUR
MIAMI BEACH, FLA.

MONEY, JEWELS AND OTHER VALUABLE PACKAGES MUST BE PLACED IN THE SAFE IN THE OFFICE.
OTHERWISE THE MANAGEMENT WILL NOT BE RESPONSIBLE FOR ANY LOSS.

ARRIVED	DEPARTED	ROOM	RATE	CLERK	ACCOUNT NO.
12/28	1/11	1212	S/H		

REMARKS: 2

(2)

11865

MON	TUES 20	WED	THUR	FRI	SAT	SUN

1212 HUMPHREY H H M/M



The Sea View 23822
ON THE OCEAN
BAL HARBOUR, MIAMI BEACH, FLORIDA 33154

S/H 12/28 2

MEMO	DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PICKUP
1	DEC 28	REVGE 1212	B * 81.90			
2	DEC 28	MISC H 1212	B * 16.00			
3	DEC 28	L'DIST 1212	B * .40			
4	DEC 28	L'DIST 1212	B * 1.55			
5	DEC 28	L'DIST 1212	B * 1.55			
6	DEC 28	L'DIST 1212	B * 2.95			
7	DEC 28	L'DIST 1212	B * 1.35			
8	DEC 28	L'DIST 1212	B * 4.05			
9	DEC 28	L'DIST 1212	B * 1.75			
10	DEC 28	L'DIST 1212	B * 3.70		* 115.20	C * 115.20
11	DEC 28	PHONE 1211	C * 5.00		* 120.20 *	A * 120.20
alteration 12	DEC 29	PD.OUT 1212	A * 4.00		* 124.20	A * 124.20
13	DEC 29	REST'R 1211	A * 14.42			
14	DEC 29	L'DIST 1211	A * 5.60		* 144.22	A * 144.22
15	DEC 29	REST'R 1210	A * 1.91			
16	DEC 29	REST'R 1210	A * 3.30		* 149.43	A * 149.43
17	DEC 29	L'DIST 1211	A * 2.95			
18	DEC 29	REST'R 1211	A * 18.52		* 170.90	B * 170.90
19	DEC 29	L'DIST 1211	B * 1.20		* 172.10	B * 172.10
strat, 21	DEC 29	PD.OUT 1212	B * 1.00		* 173.10	B * 173.10
22	DEC 29	L'DIST 1212	B * 1.75			
23	DEC 29	L'DIST 1212	B * 2.95			
24	DEC 29	L'DIST 1212	B * 1.75		* 179.55	B * 179.55
25	DEC 29	L'DIST 1212	B * 3.05			
26	DEC 29	L'DIST 1212	B * 3.00			
27	DEC 29	L'DIST 1212	B * 1.75		* 187.35	B * 187.35
28	DEC 29	L'DIST 1212	B * 1.75		* 189.10S	

REMARKS: S/H

CREDIT CARD NO. | APPROVED BY:

LAST BALANCE IS AMOUNT DUE
BILLS ARE RENDERED AND PAYABLE WEEKLY

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE:

CHARGE TO:

ADDRESS:

CODE KEY
D - DRESS SHOP
E - BEAUTY SHOP
F - FRUIT SHOP
G - NEWSSTAND
H - SOLARIUM
J - TELEVISION
K - REFRIGERATOR
L - ANNEX RENT
M - TELEGRAM

PAPER PATENTED BY NCR CO C353359

1212 HUMPHREY, Sen/Mrs H.H.H.



Sea View 23898

ON THE OCEAN
BAL HARBOUR, MIAMI BEACH, FLORIDA 33154

S/H

MEMO	DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PICKUP
1	DEC 29 F'WARD	1212	B* .00		* 189.10	B* 189.10
2	DEC 29	L'NDRY 1212	B* 3.25			
3	DEC 29	VALET 1212	B* 2.00			
4	DEC 29	BEVGE 1212	B* 1.95			
5	DEC 29	BEVGE 1212	B* 6.05			
6	DEC 29 REST'R	1212	B* 2.86		* 205.21	C* 205.21
7	DEC 29 REST'R		C* 60.90			
8	DEC 29	PHONE	C* 14.75		* 280.86 *	A* 280.86
9	DEC 30 F'WARD	1209		A* 60.90	* 219.96	A* 219.96
10	DEC 30	L'DIST	A* 1.60			
11	DEC 30	L'DIST	A* 1.60			
12	DEC 30	L'DIST	A* 1.35		* 224.51	A* 224.51
13	DEC 30 REST'R		A* 1.90			
14	DEC 30 REST'R		A* 4.85			
15	DEC 30 REST'R		A* 4.60		* 235.86	A* 235.86
16	DEC 30 REST'R	1211	A* 1.27			
17	DEC 30 REST'R	1211	A* 2.05		* 239.18	A* 239.18
18	DEC 30	L'DIST 1211	A* 2.50			
19	DEC 30	L'DIST 1211	A* 7.50			
20	DEC 30 REST'R	1211	A* 2.09		* 251.27	A* 251.27
21	DEC 30 REST'R	1212	A* 14.47		* 265.74	A* 265.74
22	DEC 30 F'WARD			A* 14.47		
23	DEC 30 REST'R		A* .85		* 252.12	A* 252.12
24	DEC 30	L'DIST 1211	A* 4.55			
25	DEC 30	L'DIST 1211	A* 1.60		* 258.27	B* 258.27
26	DEC 30 MISC H	1212	B* 16.00		* 274.27	B* 247.27
27	DEC 30 PD.OUT	1212	B* 5.00		* 252.27S	
28						

REMARKS
S/H

CREDIT CARD NO. | APPROVED BY:

CODE KEY
D - DRESS SHOP
E - BEAUTY SHOP
F - FRUIT SHOP
G - NEWSSTAND
H - SOLARIUM
J - TELEVISION
K - REFRIGERATOR
L - ANNEX RENT
M - TELEGRAM

PAPER PATENTED BY NCR CO. C353359

LAST BALANCE IS AMOUNT DUE
BILLS ARE RENDERED AND PAYABLE WEEKLY

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE:

CHARGE TO:

ADDRESS:

MON	TUES	WED (13)	THUR 13	FRI	SAT	SUN

1212 HUMPHREY SEN/ mrs h.h.h.

from 23898



THE Sea View
ON THE OCEAN
BAL HARBOUR, MIAMI BEACH, FLORIDA 33154

23966

S/H

MEMO	DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PICKUP
1	DEC 30 F'WARD		B* .00		* 252.27	C* 252.27
2	DEC 30 PHONE		C* 3.25		* 255.52 *	A* 255.52
3	DEC 31 FD.OUTG	1211	A* 1.56		* 257.08	C* 257.08
4	DEC 31 F'WARD		C* .00		* 257.08 *	C* 257.08
5	JAN-1 F'WARD	1212	C* .00		* 257.08 *	C* 257.08
6	JAN-2 F'WARD	1212	C* .00		* 257.08 *	C* 257.08
7	JAN-3 F'WARD	1212	C* .00		* 257.08 *	A* 257.08
8	FEB 17 PAID			A* 257.08	* .00	
9						
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28						

THE SEA VIEW
FEB 17 1972
Cashier

REMARKS: S/H

CREDIT CARD NO | APPROVED BY:

LAST BALANCE IS AMOUNT DUE
BILLS ARE RENDERED AND PAYABLE WEEKLY

TRANSFER TO CITY LEDGER

GUEST'S SIGNATURE:

CHARGE TO:

ADDRESS:

CODE KEY
D - DRESS SHOP
E - BEAUTY SHOP
F - FRUIT SHOP
G - NEWSSTAND
H - SOLARIUM
J - TELEVISION
K - REFRIGERATOR
L - ANNEX RENT
M - TELEGRAM

PAPER PATENTED BY NCR CO. C353339

HUMPHREY EXHIBIT NO. 19

MEMORANDUM

TO: Jack Chestnut

FROM: Norman Sherman

DATE: December 27, 1971

This is a partial report on Valentine, Sherman's efforts in the original three states we agreed on: Nebraska, Maryland and Oregon, plus a report on Florida, plus some questions and possibilities about other state primaries.

Nebraska, Maryland and Oregon

Phone books have been ordered, coded and keypunched for Nebraska, Maryland and Oregon. Voting lists are being gathered now and survey arrangements have been made in all three states. In Oregon we will have one additional meeting to arrange final details on December 30. Forms for the surveys are being printed. The surveys will begin in January and be done for your use one month before each of the primaries. Lists of registered Democrats will be available for mailings in early February at the latest. Some of the lists will be available almost immediately.

Our charge to you for these three states was $125,000 of which $100,000 was to be paid by the first of the year. You have paid $20,000 and another $25,000 is certain by other arrangements. That leaves a balance of $55,000 due by December 30. To get the project done on time Valentine, Sherman has in essence advanced its own money in the absence of any pre-payment. It is also true that we have given about a 35% reduction from our normal price. It is doubly important, therefore, that the full $55,000 be paid this year. We also expect the final $25,000 in January.

Florida

The importance of this money is compounded by problems we have in Florida since Florida has become a major visible effort for the HHH campaign, we are doing more, more quickly than we anticipated. We are also running out of both time and money.

Originally, I had hoped to raise $50,000 from McGovern when we made our $25,000 arrangement. At that time our out of pocket costs would have been $90,000. Valentine, Sherman was prepared to absorb the

immediate $20,000 loss in the expectation that we could pick it up through later sales in Florida.

Now it appears that no McGovern money will be forthcoming. Further, the demands of time have required that we accumulate the information and computerise it in a more expensive way. Our costs will go up to $125,000 out of pocket and once again to get the job done Valentine, Sherman is advancing most of the money to do the work.

By the 10th of January unless we receive the money we agreed upon, Valentine, Sherman will have about $100,000 invested in the Humphrey campaign, which is a totally intolerable situation.

We have $20,000 coming for Florida in January by prior arrangement. We will absorb $25,000 assuming we can recover it when we try to sell our services later in the year. That leaves an unresolved balance of $80,000. Unless you can commit for it, we cannot produce a Florida survey.

AMOUNT	DATE	FOR
$55,000	Dec. 30, 1971	Nebraska, Maryland, Oregon
$20,000	January 1972	Florida
$25,000	January 1972	Nebraska, Maryland, Oregon
$80,000	immediately	Florida

Reimbursement Schedule

On the first three states that we agreed to we also agreed to reimburse 50% of whatever we sold next year if we did not use those states. Thus, if you did not use the Maryland work, and we sold it for $100,000, you would get $50,000 reimbursement as we were paid. In Florida where we expect to lose money of the original package, we will, nevertheless, reimburse 25% of what we sell later this year. Thus, if we sold the package to three congressmen for $30,000 each we would reimburse the HHH campaign $7,500.

Other States

April 14 - Wisconsin

We have captured all the phone directories in Wisconsin. We are at work collecting the registration lists. This has already cost us $25,000 and it will cost another $25,000 to complete.

We could arrange to do a survey, but that is not included in the costs above. What would you like in Wisconsin? Nothing? Survey of certain districts? With phone numbers for get out the vote?

We also have available a list of several hundred thousand rural names in Wisconsin.

We would like to recover $30,000 worth of our costs ince we feel we can pick up another $15,000 worth of business later on.

We should know by January 10 what you want us to do in Wisconsin. We would need a payment of the full $30,000 by February 1.

April 25 - Pennsylvania

We are collectively negotiating for the registration lists in seven counties: Allegheny, Philadelphia, Beaver, Bucks, Lycoming, Summerset, Westmoreland and York. These counties comprise 48% of the registered voters in the state, and we are told about 70% of the Democratic registration. There are 1,125,000 phones in those counties. If you wish to use the registration lists, we must pay to add the phone numbers as a quid pro quo. That cost runs in excess of $30,000 but we will absorb any costs over this figure.

If you want to do this we would need a commitment in January, but payment could wait til March 1st.

May 2 - Indiana

We are discussing the use of our system with two potential buyers: Indiana Education Association has several congressional districts or Matt Welsh's advertising agency for essentially the whole state. Our price to Welsh will be $160,000. We could probably buy back use of all the lists for the primary without a survey for $30,000. If you want in, and assuming we sell it to another buyer, we would need a commitment on January 15 and payment on March 1.

May 9 - West Virginia

We have not captured anything in West Virginia. We could produce name, address and phone number for $20,000. If you wanted us to try to get the survey done, it would increase the cost.

If you simply want names of registered voters for direct mail, we can explore that possibility for you.

If no survey needs to be done, and you just want the lists for use during the last month of the campaign, you could make the decision on West Virginia as late as the day after the Florida primary.

New York and California

We are currently negotiating with the New York State Teachers Association to do our survey in the 20 congressional districts outside of New York City. We will also have available the mailing list of all registered voters within the city. If you want a handle on the 20 outstate districts for the primary, we will need to negotiate with the Teachers. That is a decision that ought to be made as quickly as possible.

We have done nothing in California, but want you to consider what we might do there in 1) getting the registered voters lists for direct mail purposes in case you want to use them, 2) getting the phone books ready in limited areas which you will choose in case you want to survey, poll or get out the vote.

HUMPHREY EXHIBIT NO. 20

VALENTINE, SHERMAN
AND ASSOCIATES
3050 METRO DRIVE, MINNEAPOLIS, MINN. 55420
PHONE (612) 727-1570

Invoice #487

December 29, 1971

Humphrey for President
c/o Jack Chestnut
940 Midland Bank Building
Minneapolis, Minnesota 55401

Computer Services in Oregon, Maryland & Nebraska	$100,000.00
11-12-71 Received Check #106	5,000.00
11-30-71 Received Check #1054	5,000.00
12-17-71 Received Check #675	5,000.00
12-17-71 Received Check #1081	5,000.00
12-31-71 Received Check #140	5,000.00
12-31-71 Received Check #708	10,000.00
BALANCE	$ 65,000.00
received $25,000. 1-11-72	-25,000.00
	40,000.00

Received

#514

See

bal. $40,000.00
Received $5,000.00 1-27-72 check # 146 — 5,000.00 — $35,000.00 — $15,000.00
Received 2-3-72 check # 166 $15,000.00 Recorded on ck # 5103 — 20,000.00 Bal. — $10,000.00 — 10,000.00 Bal.
Received 2-4-72 Chk #136 $10,000.00 Recorded on ck # 5103

HUMPHREY EXHIBIT NO. 21

January 24, 1972

Memo to Jack Chestnut

From Norman Sherman

The money situation is again critical, and time is running out rapidly on our ability to be of any use in Wisconsin and Pennsylvania.

We have, to the best of my knowledge, received $85,000 of a total package of $200,000 for Florida, Maryland, Oregon and Nebraska.

If you want to use us in Wisconsin and Pennsylvania, there is another $50,000 involved as described in a memo to you earlier.

All of these figures are essentially our out of pocket costs. We are absorbing the overhead costs through our other clients, but we cannot go on this way. It cuts down our ability to function well and you end up getting a less productive system.

Valentine and I both want to go to Florida to work on the survey and get out the vote campaign. We would like to send Gary Palisch in, too. I simply cannot do any of these things without money.

I urgently, really desperately, ask you to make some arrangement so that we can get our money now. I know that you run an essentially cash campaign, and it may be taht you do not have the cash to pay us outright. If that is the case, can you consider having some of your larger contributors sign a note so that we can function.

If you cannot, I don't know how we can do what we have promised to do. I have taken virtually all of our extra cash from the last year and have put them dollars into the Humphrey campaign.

Its killing us.

HUMPHREY EXHIBIT NO. 22

January 26, 1972

MEMORANDUM

TO: Jack Chestnut

FROM: Norman Sherman

RE: VSA Work in Primary States

This memo will try to sum up our recent conversations.

Your previous commitments were in two steps:

Oregon, Nebraska and Maryland	$125,000
Florida	75,000
	$200,000

We have received $85,000 thus far.

We have spent about $90,000 already on Oregon, Nebraska and Maryland. We have commitments in Nebraska and Maryland which I cannot easily stop. I will try in Maryland to stop what we are doing and I will hold up in Oregon. I owe the Secretary of State in Oregon $1,500 for a tape I ordered before we reordered our national priorities. I have ordered about $2,000 of lists from Maryland.

Valentine Sherman will have to spend about another $15,000 to finish those three states. Thus we will spend $105,000.

In Florida, we are at work on 25 counties amounting to about 75% of the Democratic vote. We are as far as we can go without further money. What that means is that we cannot get close to doing what will have to be done there. We have spent close to $40,000 already.

What all of this means is that we have spent out of pocket $130,000 and have received $85,000. I have an $18,000 payroll tomorrow. I must put $25,000 in escrow tomorrow to finish the capture work on Florida. I cannot bankroll the additional $43,000.

I have taken what money we had in Valentine, Sherman and invested it in the Humphrey campaign.

I have talked to you about Wisconsin and Pennsylvania, but there is no point in talking further until we solve this immediate problem.

NS:jab

HUMPHREY EXHIBIT NO. 23

VALENTINE, SHERMAN
AND ASSOCIATES
3050 METRO DRIVE, MINNEAPOLIS, MINN. 55420
PHONE (612) 727-1570

Invoice #514

Revision of Invoices #487 and #502

February 16, 1972

80,000 recorded in 1971
75,000 in 1972

Humphrey for President
c/o Jack Chestnut
940 Midland Bank Building
Minneapolis, Minnesota 55401

Computer Services in Nebraska, Oregon, Florida and Maryland	$155,000.00
11-12-71 Received check #106	5,000.00
11-30-71 Received check #1054	5,000.00
12-17-71 Received check #675	5,000.00
12-17-71 Received check #1081	5,000.00
12-31-71 Received check #140	5,000.00
12-31-71 Received check #708	10,000.00
BALANCE (12-31-71)	120,000.00
Trust acct. check 1-11-72 Received check #240	25,000.00
1-27-72 Received check #146	5,000.00
2-03-72 Received check #156	15,000.00
2-04-72 Received check #236	10,000.00
2-14-72 Received check #215	25,000.00
BALANCE 2-16-72	$40,000.00
2-29-72 Received check #744	10,000.00
3-10-72 Received check #7503	5,000.00
3-16-72 Received check #747	2,500.00
BALANCE 3-16-72	$22,500.00
3-22-72 Received check #1018 Amt. $10,000	10,000.00
BALANCE 3-22-72	$12,500.00

Invoice (# 514) Continued...

Humphrey for President
% Jack Chestnut
3-24-72 Received check # 1021
Amount $10,000.00

recorded on our chk #5926

Balance → $12,500.00
− 10,000.00 3-24
$ 2,500.00 New Balance.

Humphrey for President Committee
Check # 1022
Amount (of chk. was 10,000.00 However, only paid for the 2,500.00 + applied remainder to other inv.)

Entered on our Check # 5938 dated 3-28-72

$2,500.00

PAID

HUMPHREY EXHIBIT NO. 24

MEMO to Jack Chestnut October 21, 1971

From Norman Sherman

1) Nebraska, Oregon, Maryland

VSA is proceeding to capture the phone directories of these states. As soon as we get our first payment for these states, we will finish the job including the capture and marriage of the registration lists.

I have now been to both Nebraska and Oregon and have tentative agreement that the education people in those states will do the survey. In return, VSA has offered them the use of the non-presidential information on school related elections and legislative races for five years.

I will be visiting with the Maryland people next week.

2) Kansas and Oklahoma

We are going to be working in these states, as you know, partially financed by AAPI. Both of these states were contacted several months ago and to the best of my knowledge never involved HHH. If there is any inclination by these governors to use the information for HHH, I am not aware of it. Even if they were interested, it would not be where you would invest that contribution. My point on this is: one; when the original commitment was made to Governor Hall and Governor Docking, there was, to the best of my knowledge, no HHH involvement; two, there is no indication that Hall or Docking have been told that since then; three, never in Valentine's conversation with Dave Parr was there a suggestion on either side that this was for HHH.

I don't know how you can gracefully clear that up, but we have an apparently firm arrangement to be paid by AAPI for a part of those two states plus South Dakota.

3) Our normal charge for Nebraska, Oregon, and Maryland would be $150,000, plus the cost of purchase and capture of the registration records - about $30,000 - $40,000. We will do, as we have said, the three states for $125,000. If you decide not to go into any one of the states and we can sell them, we will rebate 50% of what we get to the Humphrey campaign treasury. For example, if you decided not to go into Maryland and we got $80,000, you'd get $40,000 back; if we got only $50,000 for it, you'd get $25,000 back.

4) New York and California

At one time we talked about California and New York and the possibility of your taking part of the cost if I could get the teachers to take part. When I met with the New York Teachers, I proposed a package which involved $100,000 - $150,000 from the HHH campaign. I am in a bind with New York, since I assume now that you are not prepared to make that kind of commitment. Could we clear that up?

I will deal on California with the teachers as though you have no interest. In both cases, however, I will reserve the use of the lists for the primaries. If you want to buy in later, I can rebate to the teachers who will essentially "own" the lists.

HUMPHREY EXHIBIT NO. 25

HUMPHREY (D. MINN.) MARCH 4, 1971

Mr, HUMPHREY. Mr. President, these have been rough times for America's dairy farmers.

They are going out of business at a rapid rate.

And the Nixon administration seems content to sit idly by while the situation continues to get worse.

First, the Department of Agriculture refused to buy any cheese for the school lunch program during the first semester of the school year, which began last fall. And it has purchased little or none this semester. Yet this same Department estimates that some 80 million pounds of cheese could be used for school lunches during this fiscal year.

Second, the Nixon administration wanted to kill the special milk program last year. It took a Democratic Congress to restore it. And the President's budget does not include any recommendation for this year.

Third, the administration has failed this year to increase farm values of milk through adjustments in the price-support program.

Fourth, the administration stood by for a long period of time while dairy farmers were harmed by imports brought into this country under evasions of the import control program.

This is the picture the Nixon administration has presented to the dairy farmer. It is not a pretty one.

It is time that the dairy farmer be given help—and hope.

I have contacted the Secretary of Agriculture and asked that the following steps be taken:

First, begin immediate purchases of cheese for the school lunch program at a level sufficient to provide the real needs of the program.

Second, raise the price support on milk to 90 percent of parity, as authorized by the Congress.

Third, hold down imports of dairy products to a level that will enable U.S. producers to market their products in an orderly manner.

Finally, I intend to submit a resolution in the Senate to restore the special milk program, and to see that sufficient funds are provided to meet the needs of that program.

As for our dairy farmers, one way to make their voices heard is to unite so they can set their goals and policies together. People in every section of the economy have done this. And they have done it with success.

There are milk marketing organizations that care about the farm price of milk, and which work on the national scene to protect the dairy farmer's interest.

These organizations deserve the support of every dairy farmer. Their work, in milk markets and in Washington, offers the greatest single hope for a self-sufficient agriculture.

Note.—Excerpt from the Congressional Record of March 4, 1971, page 5095.

HUMPHREY EXHIBIT NO. 26

92D CONGRESS
1ST SESSION

S. 1294

IN THE SENATE OF THE UNITED STATES

MARCH 19, 1971

Mr. HUMPHREY introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To support the price of manufacturing milk at not less than 85 per centum of the parity for the marketing year 1971–1972.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 (C) of the Agriculture Act of 1949 as amended by the Agriculture Act of 1970, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ": *Provided,* That notwithstanding the foregoing sentence, the price of milk for the marketing year beginning April 1, 1971, and ending March 31, 1972, shall be supported at such level not in excess of 90 per centum nor less than 85 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply".

BANK COPY

NATIONAL CITY BANK
OF MINNEAPOLIS
315 NICOLLET MALL
Minneapolis, Minnesota 55401

LAST STATEMENT DATE			ACCOUNT NUMBER
NEW ACCOUNT	BACKERS OF HUMPHREY C/O LADENNA HAGER INDEPENDENT BANK CORPORATIO	2	102-3034
01/31/72 THIS STATEMENT DATE			

PREVIOUS BALANCE	NUMBER DEBITS	AMOUNT OF CHECKS - DEBITS	NUMBER CREDITS	AMOUNT OF DEPOSITS - CREDITS	SERVICE CHARGE	STATEMENT BALANCE
.00	1	50,000.00	1	150,000.00	.00	100,000.00

DATE	CHECKS AND DEBITS	DEPOSITS - CREDITS	BALANCE
01/31	50,000.00DM	150,000.00	100,000.00
2			

CODE: CC - CERTIFIED CHECK; CM - CREDIT MEMO; DC - DEPOSIT CORRECTION; DM - DEBIT MEMO; EX - EXCHANGE; LD - LIST OF CHECKS; CD - CHARGE-A-CHECK DEPOSIT; ——— - OVERDRAWN; RC - DEPOSITED ITEM RETURNED; RS - RETURNED STOP PAYMENT; RT - RETURNED ITEM; DC - CHARGE-A-CHECK CREDIT

PLEASE EXAMINE THIS STATEMENT UPON RECEIPT. INSTRUCTIONS AND RECONCILIATION FORMAT ARE AVAILABLE ON THE REVERSE SIDE. IF YOU HAVE ANY QUESTIONS PLEASE CALL 339-5611. IF NO ERROR IS REPORTED WITHIN 20 DAYS, THE ACCOUNT WILL BE CONSIDERED CORRECT.

NATIONAL CITY BANK
OF MINNEAPOLIS
515 NICOLLET MALL
Minneapolis, Minnesota 55401

LAST STATEMENT DATE		ACCOUNT NUMBER
01/31/72	BACKERS OF HUMPHREY 34	102-8634
	C/O LA DONNA HAGEN	
02/29/72	INDEPENDENT BANK CORPORATIO	
THIS STATEMENT DATE		

PREVIOUS BALANCE	NUMBER DEBITS	AMOUNT OF CHECKS - DEBITS	NUMBER CREDITS	AMOUNT OF DEPOSITS - CREDITS	SERVICE CHARGE	STATEMENT BALANCE
100,000.00	22	408,546.63	12	311,425.00	.00	2,878.37

DATE	CHECKS AND DEBITS		DEPOSITS - CREDITS	BALANCE
02/01	100,000.00			.00
02/04	22,000.00DM	5,000.00DM	40,000.00	
			5,000.00	18,000.00
02/07	15,000.00			3,000.00
02/10	1,710DM	50,000.00DM	166,800.00	
	18,000.00			101,798.29
02/15	50,000.00DM	10,000.00	21,000.00	64,798.29
02/16	20,000.00DM	25,000.00	30,000.00	39,798.29
02/22	11,770.00DM			28,028.29
02/23	1,000.00DM	341.50DM		25,956.79
02/24	25,000.00DM	9,000.00	200.00	
			13,950.00	
			2,750.00	9,956.79
02/25	1,710DM		1,000.00	10,956.08
02/28	1,710DM	10,000.00DM	14,925.00	
	13,000.00			2,978.37
02/29	15,000.00DM	1,700.00	15,000.00	
			1,700.00	2,878.37
34				

CODE — CB-INSTITUTE CHECK; CM-CHECKING MEMO; DB-DEPOSIT CORRECTION; DM-CREDIT MEMO; EX-EXCHANGE; LA-LIST OF ENCLS.; CD-COMMERCIAL TELE-DEPOSIT; INT-INTEREST; MISCELLANEOUS MEMO-DEBIT; RP-RETURNED ITEM PAYMENT; RT-RETURNED ITEM; SC-CHARGE-CHECK DEBIT

PLEASE EXAMINE THIS STATEMENT UPON RECEIPT. INSTRUCTIONS AND RECONCILIATION FORMAT ARE AVAILABLE ON THE REVERSE SIDE. IF YOU HAVE ANY QUESTIONS PLEASE CALL 335-6511. IF NO ERROR IS REPORTED WITHIN 20 DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT.

BANK COPY



315 NICOLLET MALL
Minneapolis, Minnesota 55401

LAST STATEMENT DATE			ACCOUNT NUMBER
02/29/72	BACKERS OF HUMPHREY C/O LA DONNA HAGEN	28	102-8634
03/31/72	INDEPENDENT BANK CORPORATIO		

THIS STATEMENT DATE

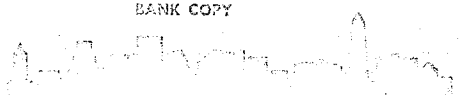
PREVIOUS BALANCE	NUMBER DEBITS	AMOUNT OF CHECKS - DEBITS	NUMBER CREDITS	AMOUNT OF DEPOSITS - CREDITS	SERVICE CHARGE	STATEMENT BALANCE
2,879.37	15	213,612.24	13	212,633.04	.00	1,904.17

DATE	CHECKS AND DEBITS		DEPOSITS - CREDITS	BALANCE
03/02	1,701.46			1,176.92
03/03	15,000.00DM	32,000.00	50,000.00	4,176.92
03/07	50,000.00DM		50,000.00	4,176.92
03/08	3,000.00		3,000.00	4,176.92
03/09	3,000.00DM		50,000.00	50,176.92
03/10	2,000.00DM		2,000.00	
			4,710.04	54,886.96
03/14			1,300.00	56,186.96
03/15	1,300.00DM	50,000.00		4,986.96
03/16	301.50DM	4,000.00	2,228.00	2,813.46
03/23			1,150.00	3,963.46
03/27	29,000.00		25,000.00	
			10,000.00	19,963.46
03/28	18,800.00DM	472.41	2,250.00	2,941.05
03/30	3,036.88		2,000.00	1,904.17
28				

CODE ▷ CC-CERTIFIED CHECK · DM-DEBIT MEMO · CM-CHARGE-CHECK DEPOSIT · RS-RECLAIM-STOP PAYMENT
DC-CREDIT MEMO · SC-SERVICE · CI-COLLECTION · SI-STOP PAYMENT
DC-REPORT CORRECTION · LS-LIST OF CHECKS · DC-DEPOSITED ITEM RETURNED · DC-ERRONEOUS DEBIT

PLEASE EXAMINE THIS STATEMENT UPON RECEIPT. INSTRUCTIONS AND RECONCILIATION FORMAT ARE AVAILABLE ON THE REVERSE SIDE. IF YOU HAVE ANY QUESTIONS PLEASE CALL 335-5611. IF NO ERROR IS REPORTED WITHIN 20 DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT.

BANK COPY



NATIONAL CITY BANK
315 NICOLLET MALL OF MINNEAPOLIS
Minneapolis, Minnesota 55401

LAST STATEMENT DATE
03/31/72

THIS STATEMENT DATE
04/13/72

SACKERS OF MURPHREY
C/O IA DONNA HAGEN
INDEPENDENT BANK CORPORATIC

ACCOUNT NUMBER
PR 102-8634

PREVIOUS BALANCE	NUMBER DEBITS	AMOUNT OF CHECKS - DEBITS	NUMBER CREDITS	AMOUNT OF DEPOSITS - CREDITS	SERVICE CHARGE	STATEMENT BALANCE
1,904.17	8	1,904.17		.00	.00	.00

DATE	CHECKS AND DEBITS		DEPOSITS - CREDITS	BALANCE
04/05	340.00	265.30		
	135.00			1,163.67
04/06	373.62	165.00		
	325.00			330.25
04/07	11.84			288.41
04/12	288.41			.00
8				

CODE ▷ CC - CERTIFIED CHECK; CM - CREDIT MEMO; CO - CHARGE-A-CHECK DEPOSIT; DC - DEPOSIT CORRECTION; EX - EXCHANGE; LS - LIST OF CHECKS; MC - CHANGE-A-CHECK CREDIT; RC - DEPOSITED ITEM RETURNED; PS - PREVIOUS STOP PAYMENT; RT - RETURNED ITEM; DC - CHANGE-A-CHECK DEBIT

PLEASE EXAMINE THIS STATEMENT UPON RECEIPT. INSTRUCTIONS AND RECONCILIATION FORMAT ARE AVAILABLE ON THE REVERSE SIDE. IF YOU HAVE ANY QUESTIONS PLEASE CALL 335-6611. IF NO ERROR IS REPORTED WITHIN 20 DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT.

HUMPHREY EXHIBIT NO. 35

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KENT E. RICHEY

WILLIAM C. KELLY (1918-1970)

OF COUNSEL
HUBERT H. HUMPHREY III

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DAVID R. MELINCOFF *
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PHILIP R. HOCHBERG *
DOUGLAS M. CARNIVAL *

RALPH F. BERLOW (1923-1972)

OF COUNSEL
JOSEPH F. CASTIELLO*

* NOT MEMBER MINNESOTA BAR

March 14, 1974

Mr. Robert G. Costa
Room G 308
Dirksen Senate Office Building
Washington, D.C.

Dear Mr. Costa:

With reference to the additional information that you seek concerning source of deposits into Jackson and Co., I am enclosing the following with reference to the February 28, 1972, deposit in the amount of $14,925.00:

1. Check of Boris Young in the amount of $250.00.
2. Check of Harry H. Frankel in the amount of $200.00.
3. Check of Melvin White in the amount of $250.00.
4. Check of Mose Marcus in the amount of $250.00.
5. Check of Esther Grossmann in the amount of $250.00.
6. Check of Ben A. Borenstein and Co. in the amount of $250.00.
7. Check of Abraham Keller in the amount of $250.00.
8. Check of Sidney S. Green in the amount of $250.00.
9. Check of Morris Sipser in the amount of $250.00.
10. Check of Julian B. Venezky in the amount of $1,000.00.
11. Check of Max Abrams in the amount of $250.00.

Rec'd 3/27/74

12. Check of Samuel Rothberg in the amount of $5,000.00.

13. Check of Earl J. Tranin in the amount of $1,000.00.

14. Check of Leslie Share in the amount of $25.00.

15. Check of M. Ruchman & Company in the amount of $100.00.

16. Check of Dr. Azriel Weller in the amount of $100.00.

17. Check of Samuel Rothberg in the amount of $5,000.00.

18. Check of D.L.H. Zysman in the amount of $250.00.

These checks were deposited in the account of Jackson and Co. on February 28, 1972, and on that same date a check was written on the Jackson and Co. account to Backers for Humphrey. Please see the prior documentation forwarded to you under date of my letter of February 8, 1974.

I am continuing to attempt to obtain the other items you referred to during our telephone conversation of March 4th.

Yours very truly,

Joe A. Walters

JAW
js
encs.

HUMPHREY EXHIBIT NO. 37

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RALPH F. BERLOW (1923-1972)
OF COUNSEL
JOSEPH F. CASTIELLO *
* NOT MEMBER MINNESOTA BAR

April 8, 1974

Mr. Donald G. Sanders
Deputy Minority Counsel
Room G 308
Dirksen Senate Office Building
Washington, D. C.

Dear Mr. Sanders:

During our conference of March 26th you called my attention to the fact that there were still certain items that had been requested by Mr. Costa about which I had not yet responded. With reference to the account of Backers for Humphrey, Account No. 102-8634, certain backup data was requested as to the source of funds received by Jackson & Co. which were transmitted and deposited into the account of Backers for Humphrey. You referred to three items, consisting of $15,000 on February 29, 1972, $14,925.00 on February 28, 1972, and $35,000 on March 27, 1972. After I had returned to Minneapolis you called and indicated that you did receive my letter directed to Mr. Costa of March 14, 1974, which gives you the information relating to the item in the amount of $14,925.00. You also stated that you received my letter directed to Mr. Costa of March 20th which pertained to the item of $15,000. I am herewith enclosing the data with reference to the $35,000 item of March 27, 1972, which is as follows:

1. Check of Garrett G. Carlson dated March 24, 1972 in the amount of $5,000, payable to National Humphrey for President Committee.

2. Check of Garrett G. Carlson dated March 24, 1972 in the amount of $5,000, payable to National Humphrey Volunteer Committee.

3. Check of Garrett G. Carlson dated March 24, 1972 in the amount of $5,000, payable to National Citizens for Humphrey Committee.

4. Check of Garrett G. Carlson dated March 24, 1972 in the amount of $5,000, made payable to National Draft Humphrey Committee.

5. Check of Garrett G. Carlson dated March 24, 1972 in the amount of $5,000, payable to National Humphrey Friends Committee.

6. Deposit ticket of Jackson & Co. dated March 27, 1972, to its account aggregating the five foregoing checks totaling $25,000.

7. Deposit ticket to Jackson & Co.'s account dated March 27, 1972, in the amount of $10,000.

I was unable to get a photostatic copy of the check supporting the $10,000 deposit for the reason, as previously explained to Mr. Costa, that if the check was drawn on a Minneapolis Clearing House bank such checks were not then, in point of time, being photostated. All I can tell you about the $10,000 check is that it must have been drawn on a Minneapolis bank. Also, you will note a reference on the deposit ticket identifying the source of the check. If you feel it is absolutely necessary to trace this item I will see what can be done, if anything, to trace this item back to which particular Minneapolis bank it was drawn on.

With reference to the account of Friends of Humphrey Committee, Account No. 102-7824, you requested backup for a $6,000 deposit of January 3, 1972, and additional information concerning a cashier's check of $4,913.49, a copy of which was sent to Mr. Costa by my letter of March 7, 1974. I cannot give you any additional information concerning the cashier's check in the amount of $4,913.49 other than what I previously supplied. Insofar as the January 3, 1972 deposit, it consisted of two checks and I am herewith enclosing the following copies:

1. Check of Philip M. Klutznick dated December 13, 1971, in the amount of $5,000 payable to Humphrey for President.

On behalf of each of the affiants, therefore, I hereby request that the enclosed Affidavits be preserved as part of the confidential files and records of the Committee, and that if, for any reason, the Committee should determine to permit the disclosure of an affiant's identity or contribution to any third party, or to the public at large, in any form, including reference in any Committee report, the undersigned be given an opportunity to be heard by the Committee in executive session concerning such disclosure, prior to the time the disclosure is made.

Thank you for your consideration in this matter.

Yours very truly,

Joe A. Walters

JAW
js
enclosures

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

STATE OF VIRGINIA)
)ss.
COUNTY OF FAIRFAX)

A F F I D A V I T

SANDRA A. McMURTRIE, being first duly sworn, upon oath deposes and says:

I reside at 8201 Riding Ridge Place, McLean, Virginia.

I understand that I have been requested by the United States Senate Select Committee on Presidential Campaign Activities to provide certain information relating to contributions of stock to political committees supporting the candidacy of Hubert H. Humphrey for the Democratic nomination for election to the office of President of the United States in 1972.

In December 1971, I donated 3,000 shares of my stock holdings in the Archer-Daniels-Midland Company to the Humphrey campaign. The stock was delivered to Jackson and Co., which, upon information and belief, acted as agent or nominee for the purpose of liquidating the stock contributions into cash and distributing the proceeds as directed by various Humphrey committees.

The shares of ADM stock donated were a part of my personal assets, contributed voluntarily by me. In making the contributions, I acted in my own behalf, and not in the name of, or as a conduit for, any other party.

FURTHER AFFIANT SAITH NOT.

Sandra A. McMurtrie
SANDRA A. McMURTRIE

Subscribed and sworn to before me
this 15th day of April, 1974.

Patricia Carol Hollister

My Commission Expires November 18, 1977

STATE OF FLORIDA)
)ss.
COUNTY OF DADE)

AFFIDAVIT

DORIS L. HASTINGS, being first duly sworn, upon oath deposes and says:

I reside at 208 Park Drive, Bal Harbour, Miami, Florida.

I understand that I have been requested by the United States Senate Select Committee on Presidential Campaign Activities to provide certain information relating to contributions of stock to political committees supporting the candidacy of Hubert H. Humphrey for the Democratic nomination for election to the office of President of the United States in 1972.

In December 1971, I donated 2,500 shares of my stock holdings in the Archer-Daniels-Midland Company to the Humphrey campaign. The stock was delivered to Jackson and Co., which, upon information and belief, acted as agent or nominee for the purpose of liquidating the stock contributions and distributing the proceeds as directed by various Humphrey committees.

The shares of ADM stock donated were a part of my personal assets, contributed voluntarily by me. In making the contributions, I acted in my own behalf, and not in the name of or as a conduit for, any other party.

FURTHER AFFIANT SAITH NOT.

Doris L. Hastings
DORIS L. HASTINGS

Subscribed and sworn to before me this 15 day of April, 1974.

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES OCT. 28, 1975
GENERAL INSURANCE UNDERWRITERS

STATE OF FLORIDA)
)ss.
COUNTY OF DADE)

A F F I D A V I T

DWAYNE O. ANDREAS, being first duly sworn, upon oath deposes and says:

I reside at the Sea View Hotel, 9909 Collins Avenue, Bal Harbour, Miami Beach, Florida.

I understand that I have been requested by the United States Senate Select Committee on Presidential Campaign Activities to provide certain information relating to contributions of stock to political committees supporting the candidacy of Hubert H. Humphrey for the Democratic nomination for election to the office of President of the United States in 1972.

In December 1971, I donated 2,500 shares of my stock holdings in the Archer-Daniels-Midland Company to the Humphrey campaign. The stock was delivered to Jackson and Co., which, upon information and belief, acted as agent or nominee for the purpose of liquidating the stock contributions into cash and distributing the proceeds as directed by various Humphrey committees.

The shares of ADM stock donated were a part of my personal assets, contributed voluntarily by me. In making the contribution, I acted in my own behalf, and not in the name of, or as a conduit for, any other party.

FURTHER AFFIANT SAITH NOT.

Dwayne O Andreas
DWAYNE O. ANDREAS

Subscribed and sworn to before me this 15 day of April, 1974.

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES OCT. 28, 1975
GENERAL INSURANCE UNDERWRITERS

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ROBERT B. BURKE •

RALPH F. BERLOW (1923-1972)

OF COUNSEL
JOSEPH F. CASTIELLO •

• NOT MEMBER MINNESOTA BAR

April 22, 1974

PERSONAL & CONFIDENTIAL

Mr. Samuel Dash
Chief Counsel
U.S. Senate Select Committee on
Presidential Campaign Activities
Dirksen Senate Office Building
Washington, D. C.

Dear Mr. Dash:

In accordance with the understanding reached in my meeting with Messrs. Sanders, Hamilton and you in your office in Washington on March 26, 1974, I am enclosing herewith the Affidavit of the Trustee of a blind trust for the benefit of Hubert H. Humphrey relating to distributions of 2,500 shares of the stock of Archer-Daniels-Midland Company and $23,000 in cash made from the assets of the Trust in December, 1971 and February, 1972, respectively, and directed to the Humphrey campaign for the Democratic nomination for President in 1972.

The enclosed Affidavit is being forwarded to you in accordance with your assurance to me that the Affidavit (i) will be held in the strictest confidence by the Committee, (ii) that its contents will neither be made public nor be made available for public inspection in any way, (iii) that it will not be referred to in any majority or minority report of the Committee, and (iv) that it will be kept and preserved at all times as part of the confidential files and records of the Committee.

Yours very truly,

Joe A. Walters

JAW:js
Enclosure

Certified Mail
Return Receipt Requested
Rec'd 4-25-74

STATE OF FLORIDA)
)ss.
COUNTY OF DADE)

AFFIDAVIT

DWAYNE O. ANDREAS, being first duly sworn, upon oath deposes and says:

I reside at the Sea View Hotel, 9909 Collins Avenue, Bal Harbour, Miami Beach, Florida, and have an office in the Sheraton-Ritz Building, Minneapolis, Minnesota.

I am the Trustee of a blind trust ("Trust") for the benefit of Hubert H. Humphrey, a United States Senator. The Trust was established by Senator Humphrey and was funded by his personal assets, in which no other person had any interest.

I understand that in my capacity as Trustee I have been requested by the United States Senate Select Committee on Presidential Campaign Activities to provide certain information relating to contributions of 2,500 shares of the stock of Archer-Daniels-Midland Company and $23,000 in cash made from the assets of the Trust to political committees supporting Senator Humphrey's candidacy for the 1972 Democratic nomination for election to the office of President of the United States.

In December 1971, at Senator Humphrey's request that appropriate distributions be made from the assets of the Trust for the benefit of his campaign, in my capacity as Trustee, I caused the Trust to distribute 2,500 shares of ADM stock, which shares (or the proceeds thereof) were directed to the Humphrey campaign. The stock was delivered to Jackson and Co., which, upon informa-

tion and belief, acted as agent or nominee for the purposes of liquidating the stock into cash and distributing the proceeds to various Humphrey committees.

The shares of stock thus distributed were a part of the assets of the Trust. In causing the distributions to be made, I acted as Trustee, as explained herein, and not otherwise in the name of, or as a conduit for, any other party.

In addition, in February 1972, in my capacity as Trustee, pursuant to Senator Humphrey's previous request, I caused the Trust to distribute the sum of $23,000, which funds were directed to the Humphrey campaign. The funds were on deposit in a savings account in the name of Interatah & Co., which acts as nominee or agent for the Trust. At my direction, the funds were withdrawn by Interatah & Co., which issued and delivered its check as directed by various Humphrey committees.

The funds thus distributed were a part of the assets of the Trust; were so recognized on the books of Interatah & Co., its nominee or agent; and were the property of Senator Humphrey by virtue of his beneficial interest in the Trust. In causing the distriubtions to be made, I acted as Trustee, as explained herein, and not otherwise in the name of, or as a conduit for, any other party.

FURTHER AFFIANT SAITH NOT.

Dwayne O Andreas
DWAYNE O. ANDREAS

Subscribed and sworn to before
me this 15 day of April, 1974.

Thomas Ortiz

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES OCT. 28, 1975
GENERAL INSURANCE UNDERWRITERS

May 16, 1974

Joe A. Walters, Esq.
O'Connor & Hannan
845 Northwestern Bank Bldg.
Minneapolis, Minn. 55402

Dear Mr. Walters:

Due to the press of work relating to the writing of our Committee report, your two letters of April 22, 1974 and attached affidavits have just been brought to my attention. I want to reply to your statement concerning the understanding we had about keeping confidential the material you agreed to submit to us.

Your statement is inaccurate that I had given you a blanket assurance that the contents of any affidavits you would supply would be every eventuality be kept confidential and that there never would be any public use of this material or reference to any of the names of the persons supplying affidavits.

To put my assurance to you in more proper context, let me remind you of the representations that you made in my office during the meeting of March 26, 1974, attended also by Mr. Sanders and Mr. Hamilton. You stated that none of the transactions about which we were inquiring involved any impropriety or unlawful activity. I informed you that no inference should be drawn, by the fact that we were making the inquiry, that either the committee or the staff believed there was any impropriety or unlawful activity involved in these transactions. Nevertheless, our responsibilities as investigators for the committee required us to go beyond your statements to us and to obtain the names of the parties involved for possible further inquiry. We accepted your offer to seek to obtain

affidavits from the relevant persons.

I told you that if the information received involved no impropriety, we might wish to make reference in the report to some of the procedures used in raising campaign funds, but that we saw no reason to reveal the names of the persons involved. Indeed, we said we were not interested in exposure for exposure's sake, and would keep the names of these individuals strictly confidential. I recall Mr. Sanders saying he might want to speak to them on the telephone or even have personal interviews with them. This was the assurance we gave you -- and no other.

At no time did I or Mr. Sanders or Mr. Hamilton assure you that any materials or infromation you would supply us would in all events be kept confidential, and not used in our report or referred to other appropriate official agencies, if such information or materials provided any evidence of improper or unlawful activities included in the mandate of Senate Resolution 60. Indeed this Senate resolution requires this committee to report improper and unlawful activities with regard to campaign financing. If you had any concern that release of any information to us might reveal improper or unlawful conduct, you, of course, had every right to raise that issue as a problem in our meeting. On the contrary, you represented that you were not raising that question and it was not a problem of concern for you or the parties involved.

The only purpose of this letter is to correct your statement in your April 22nd 1974 letter regarding what assurances I gave you. I do not intend by this letter to suggest, directly or indirectly, that the materials you have submitted to us provide evidence of unlawful activity. That is a determination for the committee to make.

I note your request to be heard by the committee in executive session if the committee determines to permit, "disclosure of an affiant's identity or contribution to any third party, or to the public

at large, in any form, including reference in any committee report." This request has been referred to Senator Ervin and Senator Baker and I know it will be given avery consideration in accordance with our rules, should there be a decision to disclose the materials you submitted in any of the ways you referred to.

Sincerely,

Samuel Dash
Chief Counsel

HUMPHREY EXHIBIT NO. 39

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OF COUNSEL
JOSEPH F. CASTIELLO *
* NOT MEMBER MINNESOTA BAR

February 27, 1974

Mr. Robert G. Costa
Room G 308
Dirksen Senate Office Building
Washington, D.C.

Dear Mr. Costa:

This will confirm our meeting of February 19th at which time I personally handed to you and Mr. Keema my letter of February 16th together with attachments. I believe that with the delivery of the attachments to my letter of February 16th the National City Bank has complied with what you requested pursuant to the subpoena previously served upon the bank.

However, you have requested that the bank provide you with some additional information by attempting to determine upon what bank a $50,000 check was drawn that was deposited in the Backers of Humphrey Account No. 102-8634 under date of March 9, 1972. Please see my letter to you of February 8th and Item 1 in particular. I have previously explained that this check was drawn on a Minneapolis Clearing House Bank and at that point in time the checks supporting the deposit tickets were not being photostated. At my request the bank has been doing some digging and, based upon the information furnished to me, it is my tentative opinion that the deposit of March 9, 1972, represented a check drawn on the Marquette National Bank here in Minneapolis.

In addition to the foregoing, you asked for certain other information which is not in the scope of your subpoena nor about which the bank has any knowledge. I told you that I would attempt to get the information for you, not in my capacity as attorney for the National City Bank but in my capacity as an attorney for various interested parties. In fact, when we met on February 19th I did give you certain information relative to the $23,000 deposit of February 15, 1972, from Interatan and Co. to Backers of Humphrey. You

indicated that you were satisfied with the information given to you concerning that item.

You asked for some additional information and I stated I would attempt to obtain the same in the spirit of cooperation and to facilitate your being able to check out certain questions that have come to your mind based upon the review of the documents submitted by the National City Bank pursuant to the subpoena.

One of the items consisted of a $100,000 check that was deposited on January 12, 1972, at the Midland National Bank and returned to the National City Bank on January 13th. When we met I told you that I thought this represented a $100,000 temporary loan from Paul Thatcher personally which was subsequently repaid to Mr. Thatcher. You indicated that you would like to see Mr. Paul Thatcher's canceled check. Accordingly, enclosed find copy of his check No. 3824 dated January 11, 1972, in the amount of $100,000 to Chestnut, Brooks & Burkard Trust Account.

Further, you observed that many of the deposits to Backers of Humphrey represented checks drawn on an account captioned "Jackson and Co." During the course of our February 19th meeting I explained to you that Jackson and Co. was a nominee account. You indicated that you wanted to know where Jackson and Co. got the money which it in turn transmitted to Backers of Humphrey. I replied that Jackson and Co. caused to be sold certain shares of capital stock which had been donated for purposes of supporting Hubert Humphrey's campaign for the 1972 Presidential nomination. Again, you wanted evidence of this fact. Accordingly, I am herewith enclosing:

1. Confirmation statements of Loeb, Rhoades & Co. for the sale of 7,500 shares of common stock of Archer Daniels Midland indicating trade dates of January 17 and January 21, 1972, respectively, together with receipt of the Morgan Guaranty Trust Company for the shares of stock delivered on settlement date. The total sale proceeds represented $258,719.79 which was transferred through Morgan Guaranty Trust Company to the account of Jackson and Co. at the National City Bank.

2. Confirmation statements of Piper, Jaffray & Hopwood for the sale on January 24, 1972, of 3,000 shares of Archer Daniels Midland for net proceeds of $103,326.51. Again, this was handled through the Morgan Guaranty Trust Company and the moneys deposited in the National City Bank to the account of Jackson and Co.

From the foregoing, you can see that Jackson and Co. obtained $362,046.30 through the sale of securities that had been donated by various individuals supporting the 1972 candidacy of Hubert H. Humphrey. All of the foregoing verifies what I told you during our February 19th meeting.

You will also recall that I disclosed that the individuals who had donated the 10,500 shares handled through Jackson and Co. have filed gift tax returns with IRS. To verify that statement I am willing to exhibit to you the copies of the gift tax returns so filed. I have no present plans to be in Washington in the near future but will be glad to bring the copies of the tax returns with me on my next trip or, if you must actually see them before I get to Washington, I can arrange a date with you here in Minneapolis for your viewing of these tax returns.

I would like it understood that by my agreeing to exhibit to you copies of the gift tax returns the confidentiality of these returns will be maintained and that your review of them shall not constitute a waiver in any way of the confidential nature of these returns that have been filed with the IRS.

Yours very truly,

Joe A. Walters

JAW
js
encs.

MORGAN GUARANTY TRUST COMPANY 23 WALL STREET, NEW YORK, N.Y. 10015 CDP 482-

JACKSON & CO

33479
ACCOUNT NUMBER

DATE 1/28

CASH ACCOUNT CREDITED
DFT
031 78 432

REFERENCE L 1/

WE HAVE CREDITED THE ACCOUNT INDICATED FOR SECURITIES DELIVERED
TO LOEB, RHOADES & CO A/C PHILIPS APPEL & WALDEN

QUANTITY	SECURITY	PROCEEDS
7.500	ARCHER-DANIELS-MIDLAND CO #MU2631 @ 7.500 SHS N/O INCE & CO #70	AT 700 SHS @ 34¼ 2.700 SHS @ 35 4.100 SHS @ 34⅝ LESS BROKERAGE LESS S.E.C. FEE &/OR TAX 258.719.7 PRINCIPAL PROCEEDS INT.
A		

ADVICE OF DELIVERY AGAINST PAYMENT

CUSTODY DEPAR

ACCOUNT CARRIED BY
LOEB, RHOADES & CO.
Members New York Stock Exchange and other Leading Exchanges
42 Wall Street • New York, N. Y. 10005 • 530-1000
Cable Address "LOEBCARL"

THROUGH THE COURTESY OF

PHILIPS, APPEL & WALDEN, INC.
Members New York Stock Exchange • American Stock Exchange
111 Broadway • New York, New York 10006 • WO-4-9500

AS BROKERS FOR YOU, EXCEPT AS OTHERWISE INDICATED HEREIN, WE HAVE ON THE TRADE DATE MENTIONED BELOW, SUBJECT TO THE AGREEMENT STATED ON THE REVERSE SIDE HEREOF, MADE THE FOLLOWING TRANSACTION FOR YOUR ACCOUNT AND RISK:

YOU BOUGHT	DESCRIPTION	PRICE	TRADE DATE	SETTLEMENT DATE
700	ARCHER DANIELS MIDLAND	34 1/4	1/17/72	1/24/72

AMOUNT	STATE TAX OR INTEREST	COMMISSION	SEC. FEE	POSTAGE		NET AMOUNT	ACCOUNT NUMBER † ◇
23,975.00	35.00	252.91	.48			23,686.61	118 89 37218 1 1

EXPLANATION OF ALL SYMBOLS ON REVERSE SIDE

JACKSON & COMPANY
SHERATON RITZ BUILDING
MINNEAPOLIS, MINN 55401

SHOULD YOU FAIL TO SEND PAYMENT FOR SECURITIES BOUGHT MUST BE RECEIVED BY US NO LATER THAN THE "SETTLEMENT DATE" OTHERWISE SALES AND FINANCIAL ARE CHARGEABLE

ON OTHER THAN STRAIGHT LONG (NORMALLY) SHARES ON ALL EXCHANGES AN AMOUNT HAS BEEN ADDED TO THE PRICE OF EACH SHARE SOLD. ON THE NEW YORK STOCK EXCHANGE THIS AMOUNT IS 3¢ PER SHARE ON STOCKS SELLING AT $10 OR ABOVE, AND 1¢ PER SHARE ON STOCKS SELLING AT LESS THAN $10 PER SHARE. IN ALL OTHER CASES AN EXPLANATION WILL BE PROVIDED ON REQUEST

ACCOUNT CARRIED BY
LOEB, RHOADES & CO.
Members New York Stock Exchange and other Leading Exchanges
42 Wall Street • New York, N. Y. 10005 • 530-1000
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THROUGH THE COURTESY OF

PHILIPS, APPEL & WALDEN, INC.
Members New York Stock Exchange • American Stock Exchange
111 Broadway • New York, New York 10006 • WO-4-9500

AS BROKERS FOR YOU, EXCEPT AS OTHERWISE INDICATED HEREIN, WE HAVE ON THE TRADE DATE MENTIONED BELOW, SUBJECT TO THE AGREEMENT STATED ON THE REVERSE SIDE HEREOF, MADE THE FOLLOWING TRANSACTION FOR YOUR ACCOUNT AND RISK:

YOU BOUGHT	YOU SOLD	DESCRIPTION	PRICE	TRADE DATE	SETTLEMENT DATE
	4,100	ARCHER DANIELS MIDLAND	34 3/4	1/21/72	1/26/72

AMOUNT	STATE TAX OR INTEREST	COMMISSION	SEC. FEE	POSTAGE		NET AMOUNT	ACCOUNT NUMBER † ◇
142,479.00	205.00	995.58	2.85		R/O	141,271.57	118 89 37218 1 1

EXPLANATION OF ALL SYMBOLS ON REVERSE SIDE

JACKSON & COMPANY
SHERATON RITZ BUILDING
MINNEAPOLIS, MINN 55401

SHOULD YOU FAIL TO SEND PAYMENT FOR SECURITIES BOUGHT MUST BE RECEIVED BY US NO LATER THAN THE "SETTLEMENT DATE" OTHERWISE SALES AND FINANCIAL ARE CHARGEABLE

ON OTHER THAN STRAIGHT LONG (NORMALLY) SHARES ON ALL EXCHANGES AN AMOUNT HAS BEEN ADDED TO THE PRICE OF EACH SHARE SOLD. ON THE NEW YORK STOCK EXCHANGE THIS AMOUNT IS 3¢ PER SHARE ON STOCKS SELLING AT $10 OR ABOVE, AND 1¢ PER SHARE ON STOCKS SELLING AT LESS THAN $10 PER SHARE. IN ALL OTHER CASES AN EXPLANATION WILL BE PROVIDED ON REQUEST

ACCOUNT CARRIED BY

LOEB, RHOADES & CO.

Members New York Stock Exchange and other Leading Exchanges
42 Wall Street • New York, N. Y. 10005 • 530-4000
Cable Address "LOEBCARL"

THROUGH THE COURTESY OF

PHILIPS, APPEL & WALDEN, INC.

Members New York Stock Exchange • American Stock Exchange
111 Broadway • New York, New York 10006 • WO-4-9000

AS BROKERS FOR YOU, EXCEPT AS OTHERWISE INDICATED HEREIN, WE HAVE ON THE TRADE DATE MENTIONED BELOW, SUBJECT TO THE AGREEMENT STATED ON THE REVERSE SIDE HEREOF, MADE THE FOLLOWING TRANSACTION FOR YOUR ACCOUNT AND RISK:

YOU BOUGHT	YOU SOLD	DESCRIPTION	PRICE	TRADE DATE	SETTLEMENT DATE
	300	ARCHER DANIELS MIDLAND	35	1/17/72	1/24/72

AMOUNT	STATE TAX ON INTEREST	COMMISSION	SEC. FEE	POSTAGE	NET AMOUNT	ACCOUNT NUMBER † ◇
10,500.00	15.00	109.50	.21		10,375.29	118 89 37218 1 1

EXPLANATION OF ALL SYMBOLS ON REVERSE SIDE

JACKSON & COMPANY
SHERATON RITZ BUILDING
MINNEAPOLIS, MINN 55401

IF YOU HAVE SOLD AND PAYMENT FOR SECURITIES BOUGHT MUST BE RECEIVED BY US NOT LATER THAN THE SETTLEMENT DATE, OTHERWISE INTEREST CHARGEABLE.

ON OTHER THAN ROUND LOTS (NORMALLY 100 SHARES) ON ALL EXCHANGES AN AMOUNT HAS BEEN ADDED TO THE PRICE ON PURCHASES AND DEDUCTED ON SALES. ON THE N.Y.S.E. AND A.S.E. EXCHANGES THIS AMOUNT IS 1% PER SHARE FOR STOCKS SELLING AT $55 A SHARE AND UNDER AND 1/2% FOR STOCKS SELLING BELOW. IN ALL OTHER CASES AN EXPLANATION WILL BE PROVIDED ON REQUEST.

ACCOUNT CARRIED BY

LOEB, RHOADES & CO.

Members New York Stock Exchange and other Leading Exchanges
42 Wall Street • New York, N. Y. 10005 • 530-4000
Cable Address "LOEBCARL"

THROUGH THE COURTESY OF

PHILIPS, APPEL & WALDEN, INC.

Members New York Stock Exchange • American Stock Exchange
111 Broadway • New York, New York 10006 • WO-4-9000

AS BROKERS FOR YOU, EXCEPT AS OTHERWISE INDICATED HEREIN, WE HAVE ON THE TRADE DATE MENTIONED BELOW, SUBJECT TO THE AGREEMENT STATED ON THE REVERSE SIDE HEREOF, MADE THE FOLLOWING TRANSACTION FOR YOUR ACCOUNT AND RISK:

YOU BOUGHT	YOU SOLD	DESCRIPTION	PRICE	TRADE DATE	SETTLEMENT DATE
	2,400	ARCHER DANIELS MIDLAND	35	1/17/72	1/24/72

AMOUNT	STATE TAX ON INTEREST	COMMISSION	SEC. FEE	POSTAGE	NET AMOUNT	ACCOUNT NUMBER † ◇
84,000.00	120.00	492.00	1.68		83,386.32	118 89 37218 1 1

EXPLANATION OF ALL SYMBOLS ON REVERSE SIDE

JACKSON & COMPANY
SHERATON RITZ BUILDING
MINNEAPOLIS, MINN 55401

IF YOU HAVE SOLD AND PAYMENT FOR SECURITIES BOUGHT MUST BE RECEIVED BY US NOT LATER THAN THE "SETTLEMENT DATE," OTHERWISE INTEREST CHARGEABLE.

ON OTHER THAN ROUND LOTS (NORMALLY 100 SHARES) ON ALL EXCHANGES AN AMOUNT HAS BEEN ADDED TO THE PRICE ON PURCHASES AND DEDUCTED ON SALES. ON THE NEW YORK STOCK EXCHANGE THIS AMOUNT IS 1% PER SHARE FOR STOCKS SELLING AT $55 A SHARE AND UNDER AND 1/2% FOR STOCKS SELLING BELOW. IN ALL OTHER CASES AN EXPLANATION WILL BE PROVIDED ON REQUEST.

MORGAN GUARANTY TRUST COMPANY 23 WALL STREET, NEW YORK, N.Y. 10015 CDP 482-

JACKSON & CO

33479
ACCOUNT NUMBER

DATE 2/7/73

CASH ACCOUNT CREDITED
DFT A/C
031 78 432

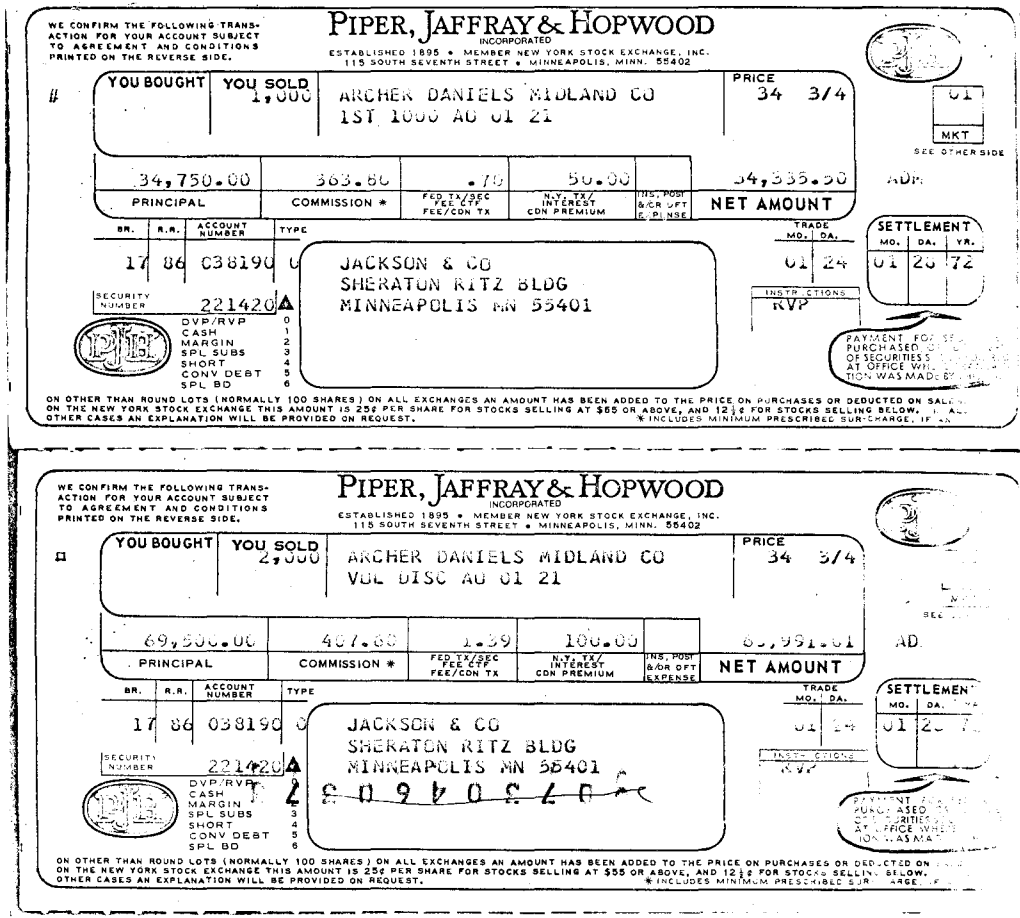
REFERENCE TEL 2
S/D 1/

WE HAVE CREDITED THE ACCOUNT INDICATED FOR SECURITIES DELIVERED
TO PIPER JAFFEY

QUANTITY	SECURITY	PROCEEDS
3.000	ARCHER DANIELS MIDLAND ANU632 N/O PNCE 33.770	AT LESS BROKERAGE LESS S.E.C. FEE &/OR TAX PRINCIPAL PROCEEDS 103,326.51 INT.
A 1		

ADVICE OF DELIVERY AGAINST PAYMENT

CUSTODY DEPA



WE CONFIRM THE FOLLOWING TRANSACTION FOR YOUR ACCOUNT SUBJECT TO AGREEMENT AND CONDITIONS PRINTED ON THE REVERSE SIDE.

PIPER, JAFFRAY & HOPWOOD
INCORPORATED
ESTABLISHED 1895 • MEMBER NEW YORK STOCK EXCHANGE, INC.
115 SOUTH SEVENTH STREET • MINNEAPOLIS, MINN. 55402

#	YOU BOUGHT	YOU SOLD		PRICE
		1,000	ARCHER DANIELS MIDLAND CO 1ST 1000 AD 01 21	34 3/4

01
MKT
SEE OTHER SIDE

PRINCIPAL	COMMISSION *	FED TX/SEC FEE CTF FEE/CON TX	N.Y. TX/ INTEREST CON PREMIUM	INS, POST &/OR OFT EXPENSE	NET AMOUNT
34,750.00	363.86	.78	50.00		34,335.50

ADR

BR.	R.R.	ACCOUNT NUMBER	TYPE
17	86	038190	C

JACKSON & CO
SHERATON RITZ BLDG
MINNEAPOLIS MN 55401

TRADE MO. 01 DA. 24

INSTRUCTIONS RVP

SETTLEMENT MO. 01 DA. 28 YR. 72

SECURITY NUMBER 221420

DVP/RVP 0
CASH 1
MARGIN 2
SPL SUBS 3
SHORT 4
CONV DEBT 5
SPL BD 6

PAYMENT FOR SECURITIES PURCHASED OR DELIVERY OF SECURITIES SOLD AT OFFICE WHERE TRANSACTION WAS MADE BY

ON OTHER THAN ROUND LOTS (NORMALLY 100 SHARES) ON ALL EXCHANGES AN AMOUNT HAS BEEN ADDED TO THE PRICE ON PURCHASES OR DEDUCTED ON SALES ON THE NEW YORK STOCK EXCHANGE THIS AMOUNT IS 25¢ PER SHARE FOR STOCKS SELLING AT $55 OR ABOVE, AND 12½¢ FOR STOCKS SELLING BELOW. IN ALL OTHER CASES AN EXPLANATION WILL BE PROVIDED ON REQUEST.

* INCLUDES MINIMUM PRESCRIBED SURCHARGE, IF ANY

WE CONFIRM THE FOLLOWING TRANSACTION FOR YOUR ACCOUNT SUBJECT TO AGREEMENT AND CONDITIONS PRINTED ON THE REVERSE SIDE.

PIPER, JAFFRAY & HOPWOOD
INCORPORATED
ESTABLISHED 1895 • MEMBER NEW YORK STOCK EXCHANGE, INC.
115 SOUTH SEVENTH STREET • MINNEAPOLIS, MINN. 55402

#	YOU BOUGHT	YOU SOLD		PRICE
		2,000	ARCHER DANIELS MIDLAND CO VOL DISC AD 01 21	34 3/4

PRINCIPAL	COMMISSION *	FED TX/SEC FEE CTF FEE/CON TX	N.Y. TX/ INTEREST CON PREMIUM	INS, POST &/OR OFT EXPENSE	NET AMOUNT
69,500.00	407.60	1.39	100.00		68,991.01

AD

BR.	R.R.	ACCOUNT NUMBER	TYPE
17	86	038190	C

JACKSON & CO
SHERATON RITZ BLDG
MINNEAPOLIS MN 55401

TRADE MO. 01 DA. 24

INSTRUCTIONS RVP

SETTLEMENT MO. 01 DA. 28

SECURITY NUMBER 221420

DVP/RVP 2
CASH 1
MARGIN 2
SPL SUBS 3
SHORT 4
CONV DEBT 5
SPL BD 6

PAYMENT FOR SECURITIES PURCHASED OR DELIVERY OF SECURITIES SOLD AT OFFICE WHERE TRANSACTION WAS MADE BY

ON OTHER THAN ROUND LOTS (NORMALLY 100 SHARES) ON ALL EXCHANGES AN AMOUNT HAS BEEN ADDED TO THE PRICE ON PURCHASES OR DEDUCTED ON SALES ON THE NEW YORK STOCK EXCHANGE THIS AMOUNT IS 25¢ PER SHARE FOR STOCKS SELLING AT $55 OR ABOVE, AND 12½¢ FOR STOCKS SELLING BELOW. IN ALL OTHER CASES AN EXPLANATION WILL BE PROVIDED ON REQUEST.

* INCLUDES MINIMUM PRESCRIBED SURCHARGE, IF ANY

11936 — 11938

HUMPHREY EXHIBIT NO. 43

TOUCHE ROSS & CO.

780 NORTHSTAR CENTER
MINNEAPOLIS, MINNESOTA 55402

July 2, 1974

Mr. Dwayne O. Andreas, Trustee
Hubert H. Humphrey Trust
Minneapolis, Minnesota

Under date of April 12, 1973 we issued our report on the examination of the Hubert H. Humphrey Trust for the two years ended December 31, 1972 as follows:

"We have examined the statement of financial condition of the Hubert H. Humphrey Trust as of December 31, 1972 and 1971, and the related statement of changes in principal and undistributed income for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

"In our opinion, the aforementioned financial statements present fairly the financial position of the Hubert H. Humphrey Trust at December 31, 1972 and 1971, and the results of its operations for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis."

You have asked us to submit additional information regarding the source of contributions to the trust during the two years ended December 31, 1972.

As set forth in the financial statements of the trust, the only addition to the trust assets during the two years ended December 31, 1972 other than income earned or gains realized from such assets was a single contribution of $60,000 on or about August 15, 1971 by the grantor of the trust, Hubert H. Humphrey. Attached is a copy of a check (Exhibit A) drawn on the bank account of Hubert H. Humphrey which resulted in the contribution by him as grantor to the trust.

Touche Ross & Co.
Certified Public Accountants

By E. Palmer Tang
E. Palmer Tang, Partner

Subscribed and sworn to before me this 2nd day of July, 1974

Alice D. Carlson

ALICE D. CARLSON
Notary Public, Hennepin County, Minn.
My Commission Expires Mar. 5, 1975.

HUBERT H. HUMPHREY

No 8028

August 15 1971 15-3/540

Pay to the order of D. O. Andreas, Trustee $ 60,000.00

Sixty thousand and no/100- Dollars

The RIGGS NATIONAL BANK
of WASHINGTON, D.C.
CHEVY CHASE OFFICE
CONNECTICUT AVE. & MORRISON ST., N. W.

Hubert H. Humphrey

⑆0540⑈0003⑆ 08⑈0517833⑆ ⑈0006000000⑈

STYLE 19

Deposited to the account of the within named payee
Account # 101 — 0190
Signature of Endorsement Guaranteed
NATIONAL CITY BANK OF MINNEAPOLIS
17-115 Minneapolis, Minnesota 17-115

NATIONAL CITY BANK OF MINNEAPOLIS MINN
AUG 17 '71 33533

EXHIBIT A

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

AFFIDAVIT

Darrell C. DeVilliers, being first duly sworn on oath, deposes and says:

1. I am, and have been for many years last past, a public accountant in the State of Minnesota, and maintain offices at 6490 Excelsior Boulevard, Minneapolis, Minnesota.

2. During the past 25 years I have acted on behalf of Mr. and Mrs. Hubert H. Humphrey in the preparation of their federal and state income tax returns.

3. In connection with the preparation of said tax returns I have reviewed the Humphrey bank statements, deposit slips to their bank account, canceled checks, and other records relating to sources of income.

4. Based on my examination of the financial records of Mr. and Mrs. Humphrey I have knowledge of the sources of income that were received and funds deposited in the bank account of Hubert H. Humphrey at the Riggs National Bank of Washington, D.C.

5. On August 15, 1971, Hubert H. Humphrey issued his check No. 8028 in the amount of $60,000.00 drawn on his account at the Riggs National Bank of Washington, D. C. payable to D. O. Andreas, trustee. These funds represented

a transfer of the personal funds of Hubert H. Humphrey to the Hubert H. Humphrey Trust initially organized by him effective January 16, 1965, and represents a contribution by Hubert H. Humphrey as grantor to his trust.

6. I have reviewed Hubert H. Humphrey's account at the Riggs National Bank of Washington, D.C., including his deposit slips to said account and monthly bank statements for many months prior to August 15, 1971, and have determined that the $60,000.00 transferred by Hubert H. Humphrey on August 15, 1971 to his trust represents funds that had gradually accumulated over a period of time resulting from income sources.

Further affiant sayeth not.

Darrell C. DeVilliers

Subscribed and sworn to before me this 2nd day of July, 1974.

Gerald F. Elliott

GERALD F. ELLIOTT
Notary Public, Hennepin County, Minn.
My Commission Expires Jan. 19, 1979.

HUMPHREY EXHIBIT NO. 44

O'CONNOR & HANNAN
ATTORNEYS AT LAW
845 NORTHWESTERN BANK BUILDING
MINNEAPOLIS, MINNESOTA 55402
(612) 338-8981

1747 PENNSYLVANIA AVE. N.W.
WASHINGTON, D.C. 20006
(202) 785-8700

PATRICK J. O'CONNOR
FREDERICK W. THOMAS
JOE A. WALTERS
THOMAS A. KELLER III
MICHAEL F. McGUIRE
KENNETH D. JONES, JR.
ROBERT J. CHRISTIANSON, JR.
CHARLES B. FAEGRE
FRANK J. VALZ
JOHN W. ROGERS
DONALD C. WILLEKE
JAMES R. DORSEY
ANDREW J. SHEA
DOUGLAS M. McMILLAN
CHARLES D. REITE
WILLIAM R. McGRANN
WALTER C. PARKINS
MICHAEL M. WHALEN
KENT K. RICHEY

WILLIAM C. KELLY (1918-1970)

OF COUNSEL
HUBERT H. HUMPHREY III

WILLIAM T. HANNAN *
JOHN J. FLYNN
H. ROBERT HALPER *
JOSEPH K. DILLON *
THOMAS H. QUINN *
HOWARD G. FELDMAN *
DAVID R. MELINGOFF *
DELANCEY W. DAVIS *
PHILIP P. HOCHBERG *
JAMES D. McKEVITT *
DOUGLAS M. CARNIVAL *
TERENCE P. BOYLE *
BRIAN P. PHELAN *
HOPE S. FOSTER *
ROBERT B. BURKE *

RALPH F. BERLOW (1923-1972)

OF COUNSEL
JOSEPH F. CASTIELLO *

* NOT MEMBER MINNESOTA BAR

April 15, 1974

Mr. Donald G. Sanders
Deputy Minority Counsel
Room G 308
Dirksen Senate Office Building
Washington, D. C.

Dear Mr. Sanders:

Subsequent to my forwarding to you my letter of April 8th I made a point to review my complete file to be sure that there had been complete compliance with the requests of the staff members of the Select Committee.

My files show a complete compliance with the previous request of the Select Committee except for the affidavits referred to in my letter of April 8th and one other item. In my April 8th letter I indicated that the December 14, 1971, $15,000 deposit to the account of Humphrey Volunteer Committee, Account No. 102-5627, consisted of a Minneapolis Clearing House item as a consequence of which the bank did not have a photostat of the check that was deposited pursuant to the deposit ticket, a copy of which was previously forwarded under my letter dated February 16th.

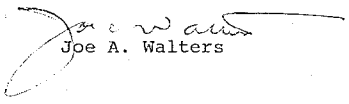
I was in error in stating that the December 14, 1971, $15,000 item is one of the Minneapolis Clearing House items. I now have a copy of the backup item to the December 14, 1971 deposit ticket and I am herewith enclosing a copy of:

1. Check of D. O. Andreas dated December 14, 1971, in the amount of $15,000.00 payable to Humphrey Volunteer Committee.

Rec'd 4/22/74. Copy to Hamilton.
Dem

I apologize for this oversight. However, with this correction and with the forthcoming affidavits to be supplied to you my records indicate complete compliance by my clients of the material requested pursuant to the Select Committee's subpoena.

Yours very truly,



Joe A. Walters

JAW
js
enc.

Account Name	Account #	Bank
Backers of Humphrey	102-8634	NCB
Hubert H. Humphrey Committee Telephone Account	102-9339	NCB

Our review of records at the Guaranty State Bank of St. Paul occurred on January 10, 1974. The NCB accounts named above were identified after issuing a subpoena to NCB on January 21, 1974. The checks drawn on these accounts and deposited to VSA's account at the Guaranty State Bank were "non-personalized", i.e., the committee name did not appear anywhere on the check.

Also, checks drawn on an account called Humphrey For Senator Committee as late as February of 1972 were discovered in the VSA account at the Guaranty State Bank. This also resulted in the issuance of a subpoena to the Midland Bank on January 21, 1974 for production of records with respect to the trust account mentioned earlier and the Senatorial account.

Midland National Bank Records

As a result of our subpoena to Midland, we found that the Chestnut law firm trust account received and expended about $110,000 for the Senator's Presidential campaign.

According to Mr. Joseph P. Walters, attorney for the National City Bank and also Humphrey campaign operative, $100,000 of the $110,000 mentioned above which was deposited to the trust account, can be explained in the following manner. Paul Thatcher, treasurer of the Humphrey campaign, made a temporary loan for $100,000 to the campaign by issuing his personal check to Jack Chestnut which was then deposited in the Chestnut law firm trust account. Then on January 31, 1972, Paul Thatcher wrote a check for $100,000 against the Backers of Humphrey account (one of the accounts maintained in the National City Bank mentioned earlier) and turned this check over to Chestnut for deposit in the trust account (we have this check). Mr. Chestnut then wrote a check on the same day, January 31, 1972, to Paul Thatcher (we also have this check) in repayment of his temporary loan. This explanation appears logical in that Backers of Humphrey did not exist at the time Paul Thatcher wrote the check (January 6, 1972) and had no funds on hand to repay Paul Thatcher until January 31, 1972, when a $150,000 deposit was made. The Midland Bank could not produce a copy of the check for $100,000 deposited to the trust account (which according to Mr. Walters is Paul Thatcher's personal check) because it was a check drawn on a local

bank, and it is Midland's policy not to maintain copies of local checks deposited to any of its accounts. Mr. Walters stated that he will obtain a copy of Paul Thatcher's check and forward it to this Committee.

In addition to the above, we requested and received copies of all checks drawn on or deposited to both the trust account and the Senatorial account in excess of $10,000. This resulted in the identification of a corporate check for $10,282.95 deposited to the Humphrey for Senator Account. The check was drawn on the account of Lennen and Newell, Incorporated, an advertising agency, and appears to be a refund of unused deposit. However, Lennen and Newell is being contacted to verify this.

National City Bank Records

After having identified a number of "non-personalized" checks signed by Jack Chestnut and deposited to the Valentine Sherman account at the Guaranty State Bank, we requested and received copies of checks drawn on and deposited to these five remaining Humphrey Presidential campaign accounts mentioned on pages 1 and 2 of this memo.

As a result of this review, we uncovered a check from Interatah and Company for $23,000 deposited on February 15, 1972 to the Backers of Humphrey account. According to Mr. Walters, Interatah and Company is a limited partnership used by Mr. Dwayne Andreas and his friends and associates as a "nominee" account. We were informed that this check actually represents personal funds of Senator Humphrey used for his Presidential campaign. He explained that Senator Humphrey has a "blind trust account" managed for him and that $23,000 was withdrawn from this account and placed in Interatah and Company. A check was then later drawn against Interatah and deposited to Backers of Humphrey.

During an interview with Mr. Walters on February 19, 1974, we were informed that Mr. Walters had been in conference with Senator Humphrey and that the Senator was of the opinion that he was being singled out and harassed by this Committee's investigations. Mr. Walters related to us the Senator's feelings that his explanation of the Interatah check should be ample for our purposes and that he (Senator Humphrey) would object strenuously to any further investigation of the matter.

In addition to the above, our review uncovered six checks totalling $421,725 deposited to the Backers of Humphrey account between January 31 and March 27, 1972. All six checks were drawn on the account of Jackson and Company.

Jackson and Company, according to Mr. Walters, is also a limited partnership. We were told that the sole purpose of Jackson and Company was to convert stock contributions made to the Senator's Presidential campaign. Mr. Walters has agreed to provide this Committee with copies of Jackson and Company's bank statements and also to exhibit copies of the contributor's gift tax returns in order to verify ownership of the stock.

With respect to the remaining Presidential accounts at the National City Bank, we have yet to receive information concerning the source of funds for the following deposits:

Backers of Humphrey

Date	Amount
March 9, 1972	$50,000

Friends of Humphrey

Date	Amount
January 3, 1972	$ 6,000.00
December 16, 1971	4,913.49
November 26, 1971	5,000.00
TOTAL	$15,913.49

Humphrey Volunteer Committee

Date	Amount
April 20, 1971	$25,000
December 14, 1971	15,000
TOTAL	$40,000

Recap of Information to be Received

1. Copy of Paul Thatcher's personal check for $100,000.

2. Confirmation that the Lennen and Newell check for $10,282.95 is a refund of deposit.

3. Interatah and Company?

4. Production of bank statements and gift tax returns to verify ownership of stock conversions totalling $421, 725.

5. Bank records to identify the source of funds deposited to the National City Bank accounts outlined on pages ~~1 and~~ 2 of this memo.

go

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD H. BAKER, JR., TENN., VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
JOSEPH M. MONTOYA, N. MEX.
SAMUEL DASH
CHIEF COUNSEL AND STAFF DIRECTOR
FRED D. THOMPSON
MINORITY COUNSEL
RUFUS L. EDMISTEN
DEPUTY COUNSEL

United States Senate
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

TO: Don Sanders
Jim Hamilton
FROM: R. J. Costa
Al Keema
DATE: February 21, 1974
SUBJECT: MEETING WITH MR. JOSEPH WALTERS, ATTORNEY FOR NATIONAL CITY BANK OF MINNEAPOLIS, TUESDAY, FEBRUARY 19, 1974, 4:00 P.M.

At the start of our meeting, Mr. Walters turned over additional documents requested under our subpoena to the National City Bank of Minneapolis, dated January 21, 1974. To date, National City has forwarded all information requested except as follows:

Backers of Humphrey #102-8634

Date	Description	Amount
March 9, 1972	Deposit	$50,000

According to Mr. Walters, this deposit is of a check drawn on a Minneapolis Clearing House bank (local bank) for which a photostatic copy was not made. On February 12, 1974, a request was made of Mr. Walters to have National City review its daily batch totals of local checks deposited to accounts in their bank in order to identify the local bank involved and the specific batch of checks returned to that bank for clearing against the originating account. (Note: Once a specific batch and total is identified, the local bank can then identify the specific check or checks deposited to Backers of Humphrey.)

During the meeting, Mr. Walters stated that he had been in St. Louis during the past week and consequently had not discussed National City's progress with respect to identifying this deposit. He did state, however, that he would be in contact with us shortly on this matter.

$23,000 Check From Interatah and Company

Mr. Walters informed us that this check, deposited to Backers of Humphrey on February 15, 1972, actually represents personal funds of Senator Humphrey used for his Presidential campaign. We were further informed that the Senator has paid gift tax on these funds. (Why would Senator Humphrey pay gift tax on his own funds used for his campaign?) Mr. Walters stated that Interatah and Company is a limited partnership used by Mr. Dwayne Andreas and his friends and associates as a "nominee" account. He explained that Senator Humphrey has a ~~number of~~ "blind accounts" managed for him, and that $23,000 was withdrawn from ~~one of~~ these accounts and placed in Interatah and Company. A check was then later drawn against Interatah and deposited to Backers of Humphrey. It was at this point that Mr. Walters informed us that he had been in conference with Senator Humphrey and that the Senator was of the opinion that he was being singled out and harassed by this Committee's investigations. Mr. Walters related to us the Senator's feelings that his explanation of the Interatah check should be ample for our purposes and that he would object strenuously to any further investigation of the matter.

Checks Deposited to Backers of Humphrey Drawn On Jackson & Company

Date	Amount
1/31/72	$150,000
2/3/72	40,000
2/10/72	166,800
2/28/72	14,925
2/29/72	15,000
3/27/72	35,000
TOTAL	$421,725

+50,000 3-3-72

Jackson and Company is also a limited partnership. It was used by the campaign, according to Mr. Walters, to convert stock contributions made to the Senator's Presidential campaign. Mr. Walters has agreed to provide this Committee with copies of Jackson and Company's bank statements and also to exhibit copies of the contributor's gift tax returns in order to verify ownership of the stock. However, Mr. Walters requested that this Committee not retain copies of these returns due to their personal nature.

$100,000 Contribution -- Paul R. Thatcher

According to Mr. Walters, Paul Thatcher made a temporary loan for $100,000 to the campaign by issuing his personal check to Jack Chestnut which was then deposited in the Chestnut law firm Trust Account. He explained that on January 31, 1972, Paul Thatcher wrote a check for $100,000 against the Backers Of Humphrey account and turned this check over to Chestnut for deposit in the trust account (we have this check). Mr. Chestnut then wrote a check on the same day, January 31, 1972, to Paul Thatcher (we also have this check) in repayment of his temporary loan. Mr. Walters stated that he would contact Paul Thatcher directly to obtain a copy of this check. (Note: According to Chestnut's attorney, John Cochran, the check should be dated 1/6/72 with an indication that it was deposited to the trust account on 1/12/72.)

It is interesting to note that in addition to this $100,000 transaction, Mr. Thatcher apparently contributed $50,000 on March 3, 1972 to Backers of Humphrey. (We have a check drawn on his account #400-0099 at National City which came up in a draw-down of Backers of Humphrey.)

Deposits to Friends of Humphrey #102-7824

Date	Amount
1/3/72	$ 6,000.00
12/16/71	4,913.49
11/26/71	5,000.00
TOTAL	$15,913.49

To date, National City has not provided documents which would identify the sources of these funds. Mr. Walters stated that he would also be in contact with us shortly on this matter.

Deposits to Humphrey Volunteer Committee #102-5627

Date	Amount
4/20/71	$25,000
6/25/71	10,000 (cash)*
12/14/71	15,000
TOTAL	$40,000

The source of funds for these deposits also have not been received and Mr. Walters is checking progress on them.

*(Note: The deposit slip dated 6/25/71 identifies $10,000 as a cash deposit.)

HUMPHREY EXHIBIT NO. 47

3M

February 24, 1972

Mr. Patrick J. O'Connor
845 Northwestern Bank Building
Minneapolis, Minnesota

Dear Pat:

I must confess that your recent letter concerning the financial situation with HHH was not unexpected. I think I have as much appreciation as anyone concerning the high costs of campaigning, and the necessity to do as good a job as possible in the early primaries.

I brought up this subject with my colleagues in St. Paul, and it is their feeling that they would rather not contribute to the function in Florida on February 21. It seems they all expect that it won't be but a short time before a similar affair will be held in Minnesota on behalf of HHH, and they fully expect that they will be asked to contribute substantially at that time.

I don't know what your specific plans are in this respect, but since that is the situation there, you may find the same attitude on the part of other Minnesota businessmen; therefore, it could prompt some thoughts along that line.

I know I am not in the $500 category, but you may rest assured that I will contribute what I can along the way.

Best of luck on a job that I know is difficult at best.

Sincerely,

Jerome D. Schaller

JDS:kk

Rec'd 11/13 from Schaller

MINNESOTA MINING AND MANUFACTURING COMPANY

HUMPHREY EXHIBIT NO. 48

Interoffice Correspondence 3M

Subject: Campaign Contributions

CONFIDENTIAL

March 16, 1972

TO: D. O. OPSTAD - WASHINGTON, D. C.
W. M. BENNETT - CIVIC AFFAIRS - 220-6W

FROM: J. D. SCHALLER - WASHINGTON, D. C.

There are three fund raising events that are scheduled for April in which I believe 3M people should participate.

The first is an informal $100 per person affair for HHH. This will be held at the Rodisson South on April 13 at 6:30 p.m. You may recall we turned down an earlier solicitation from HHH for a fund raising dinner in Florida with the excuse we knew there would be an affair in Minnesota. It would seem to me that there should be ten people, at least, in our Company who would see the importance of an early contribution. The price makes the donation non-reportable.

The second affair will be held here in Washington on April 20. This is Senator Muskie's first, and I am told, only D. C. fund raiser. While many have said the Muskie campaign has suffered greatly, it is still too early to count him out. He will continue to be a U. S. Senator in any event and has already achieved national stature. I would think we could buy tickets for a table at this affair.

HUMPHREY EXHIBIT NO. 49

Humphrey Fund
Raiser Dinner

April 7, 1972

TO: D. O. OPSTAD - WASHINGTON, D. C.
W. M. BENNETT - CIVIC AFFAIRS - 220-6W

FROM: J. D. SCHALLER - WASHINGTON, D. C.

Checks for the Humphrey Fund Raiser should be made out to "Humphrey Dinner Committee" and sent to Humphrey Dinner Committee, 845 Northwestern Bank Building, Minneapolis, Minnesota.

Honorary Co-chairmen for the affair are Governor Wendell Anderson and Senator Walter F. Mondale.

JDS:kk

HUMPHREY EXHIBIT NO. 50

FORTAS AND KOVEN

Canal Square
1054 Thirty-first Street, N.W.
Washington, D.C. 20007
(202) 337-5700

September 17, 1973

David Dorsen, Esq.
Assistant Chief Counsel
Senate Select Committee on
Presidential Campaign
Activities
Room G 308, New Senate Office Building
Washington, D. C. 20515

Re: John L. Loeb

Dear Mr. Dorsen:

In accordance with our conversation, I am enclosing copies of the transcripts of the hearings before Judge Cannella on May 31, 1973 and June 7, 1973.

I believe you have in your files a sampling of the nationwide newspaper stories that resulted from this lamentable proceeding. In addition, as I am sure you know, it was heavily covered by television and radio.

I repeat my profoundly felt request that the Committee should not subject Mr. Loeb to the burden of a replay of this incident.

My personal regards.

Sincerely,

Abe Fortas

Enclosures

RECEIV JUN 5 1973

Corrected by bar
agreement 6/7/73

Before:

HON. JOHN M. CANNELLA,

District Judge.

New York, N. Y.,
May 31, 1973,
10:30 p. m.

Appearances:

WHITNEY NORTH SEYMOUR, JR., ESQ.,
United States Attorney,
For the Government;
JOHN J. TIGUE, JR., ESQ.,
Assistant United States
Attorney, of counsel.

LORD, DAY & LORD, ESQS.,
Attorneys for defendant John L. Loeb;
ABE FORTAS, ESQ.,
HERBERT BROWNELL, ESQ., and
WOODSON D. SCOTT, ESQ.,
of counsel.

Section 440 to Mr. Loeb's attention, or raised any question as to the procedure which Mr. Loeb used.

On the morning of May 11, Mr. Loeb instructed Arthur Griffiths, a secretarial aide, to ascertain whether some employees at Loeb, Rhoades & Co., supported Senator Humphrey and would contribute to his campaign and to advise such persons that Mr. Loeb would reimburse them. Four of the persons to whom Mr. Griffiths spoke said that they did not favor Senator Humphrey, whereupon the matter was dropped. Nine persons expressed their support of Senator Humphrey and their desire to make contributions. Mr. Loeb himself did not speak to any of the persons in his office other than Mr. Griffiths. No attempt whatever was made by Mr. Griffiths or Mr. Loeb to persuade any of the employees or to urge them to contribute.

On May 11, Mr. Chestnut telephoned Mr. Griffiths and gave him a list of Senator Humphrey's committees. Mr. Chestnut did not advise Mr. Griffiths of any problem that might arise under the new law. Each of the nine donors then made his personal check to one or more of the committees. These checks, fifteen in number, aggregated $48,000. Mr. Griffiths thereafter, on May 12, arranged for deposits to be made in the bank accounts of each of the nine persons in the amount of the contributions they

had made. Such deposits were provided from funds available in the personal account of Mr. Loeb.

On May 12, Bruce Solomonson, Senator Humphrey's son-in-law and aide, personally called for and received the fifteen contribution checks from Mr. Loeb. Mr. Solomonson did not mention the new requirements of the law.

On May 24, fifteen days before the California primary, the Humphrey Committee filed the required preliminary report of receipts and expenditures. Section 434(a) and (c) of the Act. Included in the report were the notations of the contributions received from the nine contributors, aggregating $48,000. The Committee listed the banks upon which the checks were drawn as the addresses of the contributors. Mr. Loeb knew nothing about the report at or prior to the time of filing.

After the report was filed, representatives of the press telephoned some of the contributors. According to press accounts, their curiosity was aroused because of the bank addresses that were listed in the report filed by the Humphrey Committee.

On May 31, Mr. Loeb, having been advised that inquiries were being made by the press, for the first time spoke with his own counsel. Counsel told Mr. Loeb of the change in the statutes which had become effective on April

7. This was . . Loeb's first informatic about the change. Counsel advised Mr. Loeb that a question might be raised by reason of the provisions of Section 440 of the new law and advised Mr. Loeb to insist that the Humphrey Committee should amend its report to show that Mr. Loeb had reimbursed the contributors.

Accordingly, on June 1, 1972, nineteen days after the initial contributions, Mr. Loeb wrote a letter and caused it to be delivered to each of the committees concerned. A similar letter waswritten in the case of each contributor, fifteen letters. I will read just one of the typical letters.

"On May 12 a contribution in the amount of $3,000 was made to your committee by Mr. Arthur Griffiths (who was one of the fifteen people). This contribution was made possible by the undersigned (that is, Mr. Loeb), and I am now informed that under the provisions of the recent amendments to the election laws, with which I was then unfamiliar, the contribution should have been attributed to me.

"I shall appreciate your confirming to me that the change has been made in your records."

On June 2, 1972, the Humphrey Committee filed

the amendment as Mr. Loeb had requested, including copies of Mr. Loeb's letters.

In summary, I will point out, first, that the individual contributinns were made on May 12, 1972, by checks of the individual contributors.

Second, the Humphrey Committee filed its report with the Office of Federal Elections on May 24, 1972, showing the names of the nine contributors. I also point out that no filing by the individual contributors, or by Mr. Loeb, is required by the Act.

THE COURT: Well, that is one of the things that the Government would point out that this is really not the Lambert registration case but it is really a different kind of case, because they are not charging him with the failing to register, but they are charging him with violating the specific statute.

MR. SCOTT: I understand.

And third, in summary, I would point out that on June 1, 1972, Mr. Loeb sent the letters, one of which I have read, to the Humphrey Committees. On June 2, 1972, at Mr. Loeb's direction, the full statement of Mr. Loeb's participation in the contributions was filed and made public. This was only twenty days after the contributions were made on May 12. It was only nine days after the

initial Committee filing showing the names of the individual contributors on May 24. It was six days before the California primary on June 12, and prior to the period of five days before an election, prescribed by the Act for final filing and disclosure.

Under those circumstances, I point out to the Court that if there was any violation of the laws here, it was unintentional and was only a technical violation.

The facts, I believe, that I have stated are incontrovertible. Everything has been properly disclosed and the utmost good faith has been exercised in presenting this matter to the Court.

MR. TIGUE: As I started saying earlier, your Honor, as you know, this office usually does not make the practice of consenting to nolo pleas without first consulting with the Department of Justice in Washington.

Toward the conclusion of the investigation in this case, it came to our attention that the defendant might offer to plead nolo contendere to some of the charges that would be contained in the information.

We consulted with the Department of Justice in Washington and we received from them, on May 21, 1973, a letter from the Assistant Attorney General in charge of the Criminal Division, authorizing us to accept a plea of nolo

THE CLERK: The United States Attorney charges: On or about May 12, 1972, in the Southern District of New York and elsewhere, John L. Loeb, the defendant, unlawfully, wilfully and knowingly did make and cause to be made political campaign contributions totalling $48,000 which were made in the names of persons other than John L. Loeb, the defendant, in that he caused an employee of his, one Arthur Griffiths, to inquire of the hereinafter named clerical employees of Loeb, Rhoades & Co., a stock brokerage firm in New York, New York, if they would contribute to the Presidential campaign of Hubert H. Humphrey with funds to be supplied by defendant Loeb.

At the urging of defendant Loeb said employees agreed to and did on May 12, 1972, write fifteen checks drawn on their personal checking accounts totalling $48,000, made payble to the hereinafter named twelve committees, and delivered them directly and indirectly to the defendant Loeb who delivered them to an agent of said committees.

Immediately prior thereto, John L. Loeb, the defendant, transferred funds totalling $48,000 from his personal account No. 072-07-52179-0 at Loeb, Rhoades & Co. to the personal accounts of said employees at various New York banks.

Count 1, name of the contributor, Arthur Griffiths,

SOUTHERN DISTRICT REPORTERS
United States Courthouse

Campaign Commit e, Lawyers for Humphrey, ount, $3,000.

Count 2, Carol Novak, Campaign Committee, Lawyers for Humphrey, $3,000.

Count 3, Elizabeth Pearson, Campaign Committee for the Election of Humphrey, $3,000, and Citizens for Humphrey, $3,000.

Count 4 --

MR. TIGUE: Excuse me, your Honor, I believe those are the three counts --

THE COURT: Count 3 is the last one. He is only pleading to the first three counts.

THE CLERK: Do you understand the charge I have just read to you?

THE DEFENDANT: I do.

THE CLERK: How do you plead?

THE DEFENDANT: Nolo contendere.

THE COURT: As to each of those three counts that have been read to you?

THE DEFENDANT: Yes, your Honor.

THE COURT: All right.

MR. SCOTT: My first request is that Mr. Loeb be released on his own recognizance and that no bail be required.

MR. TIGUE: The Government consents to that,

w

other.

I feel that there is deterrence in this case by the sentence that I am going to impose, because I am sure that nobody wants to go through the experience that this man has, particularly if you have a wife, if you have children, if you have grandchildren, if you have friends, if you have distinguished people who know you, and you have to explain this and you have to justify it in a way, and to have to go through this time and again, and feel that maybe people are looking at you or maybe walking on the other side of the street. I deem that to be a great deterrence.

So in the spirit of these remarks, it is adjudicated that the defendant John L. Loeb on Information 73 Cr. 458, counts 1, 2 and 3, is fined the sum separately as to each count of $1,000, so that the total fine will be $3,000, which is the maximum that can be visited upon him under the statute.

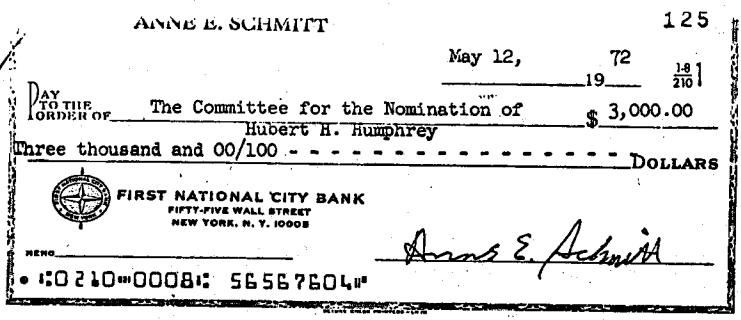
I direct that that fine be paid by 3:00 p.m., Friday, June 8, 1973, which is tomorrow.

I know that there are outstanding counts, namely, counts 4 to 8, inclusive. Is there a motion in regard to those counts?

MR. SCOTT: If your Honor please, I move that counts 4, 5, 6, 7 and 8 be dismissed.

MR. TIGUE: The Government consents, your Honor.

HUMPHREY EXHIBIT NO. 51



ANNE E. SCHMITT

125

May 12, 19 72

18/210

PAY TO THE ORDER OF The Committee for the Nomination of Hubert H. Humphrey $ 3,000.00

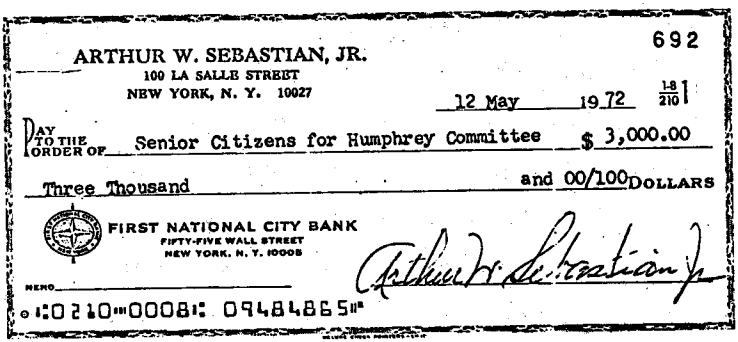
Three thousand and 00/100 - - - - - - - - - - - - - - - - - DOLLARS

FIRST NATIONAL CITY BANK
FIFTY-FIVE WALL STREET
NEW YORK, N. Y. 10005

MEMO

Anne E. Schmitt

:0210:0008: 56567604



ARTHUR W. SEBASTIAN, JR.
100 LA SALLE STREET
NEW YORK, N. Y. 10027

692

12 May 19 72

18/210

PAY TO THE ORDER OF Senior Citizens for Humphrey Committee $ 3,000.00

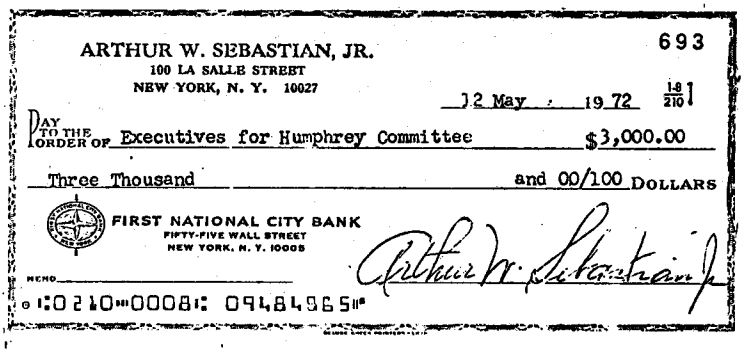
Three Thousand and 00/100 DOLLARS

FIRST NATIONAL CITY BANK
FIFTY-FIVE WALL STREET
NEW YORK, N. Y. 10005

MEMO

Arthur W. Sebastian Jr.

:0210:0008: 09484865



ARTHUR W. SEBASTIAN, JR.
100 LA SALLE STREET
NEW YORK, N. Y. 10027

693

12 May 19 72

18/210

PAY TO THE ORDER OF Executives for Humphrey Committee $3,000.00

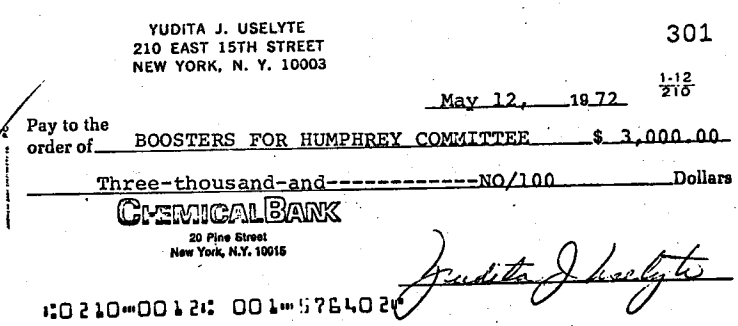
Three Thousand and 00/100 DOLLARS

FIRST NATIONAL CITY BANK
FIFTY-FIVE WALL STREET
NEW YORK, N. Y. 10005

MEMO

Arthur W. Sebastian Jr.

:0210:0008: 09484965



YUDITA J. USELYTE
210 EAST 15TH STREET
NEW YORK, N. Y. 10003

301

May 12, 19 72

1-12/210

Pay to the order of BOOSTERS FOR HUMPHREY COMMITTEE $ 3,000.00

Three-thousand-and----------NO/100 Dollars

CHEMICAL BANK
20 Pine Street
New York, N.Y. 10015

Yudita J. Uselyte

:0210:0012: 001:5764021

CAROL L. NOVAK

334

MAY 12, 1972 — 1-30 / 210

PAY TO THE ORDER OF THE DRUGGISTS FOR HUMPHREY COMMITTEE------- $3,000.00

THREE THOUSAND AND no/100---------- DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
40 Wall Street, New York, N. Y. 10015

FOR

Carol L. Novak

⑆0210⑆0030⑆0140 2⑈13366⑈

SYBIL M. SENOFF

No.

May 1v 19 7v — 1-30 / 210

PAY TO THE ORDER OF Executives for Humphrey for President Com. $3000 no/100

Three Thousand no/100 DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
40 Wall Street, New York, N. Y. 10015

Sybil M. Senoff

⑆0210⑆0030⑆0140 1⑈33817⑈

SYBIL M SENOFF

No.

May 1v 19 7v — 1-30 / 210

PAY TO THE ORDER OF Executives for Humphrey Committee $3000 00/no

Three Thousand 00/no DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
40 Wall Street, New York, N. Y. 10015

Sybil M Senoff

⑆0210⑆0030⑆0140 1⑈33817⑈

ANNE H. SHEEHAN

MAY 12 1972 1-12/210

PAY TO THE ORDER OF Volunteers for Humphrey Committee $6,000.00

Six Thousand and No/100 DOLLARS

CHEMICAL BANK
81-19 ROOSEVELT AVENUE
JACKSON HEIGHTS, N. Y. 11372

Jeanne H. Sheehan

⑈0210⑈00121⑈ 053⑈530934⑈

ELIZABETH H. PEARSON
70 PROSPECT PARK SOUTHWEST
BROOKLYN, N. Y. 11215

403

May 12, 1972 1-30/210

PAY TO THE ORDER OF Citizens for Humphrey Committee - - - - - $3,000.00

Three Thousand and no/100ths - - - - - - - - - - - - - - DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
40 WALL STREET, NEW YORK, N. Y.

MEMO

Elizabeth H. Pearson

⑆0210⑈00301⑆0140 2⑈ 25789⑈

ELIZABETH H. PEARSON
70 PROSPECT PARK SOUTHWEST
BROOKLYN, N. Y. 11215

404

May 12, 1972 1-30/210

PAY TO THE ORDER OF The Committee for the Election of Hubert H. Humphrey - - $3,000.00

Three Thousand and no/100ths - - - - - - - - - - - - - - DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
40 WALL STREET, NEW YORK, N. Y.

MEMO

Elizabeth H. Pearson

⑆0210⑈00301⑆0140 2⑈ 25789⑈

ANNE E. SCHMITT

127

May 12, 19 72 18/210

PAY TO THE ORDER OF Elect Humphrey for President Committee $3,000.00

Three thousand and 00/100 - - - - - - - - - - - - - - - DOLLARS

FIRST NATIONAL CITY BANK
FIFTY-FIVE WALL STREET
NEW YORK, N. Y. 10005

MEMO

Anne E. Schmitt

⑆0210⑈00081⑆ 56567604⑈

Pay to the order of INDEPENDENTS FOR HUMPHREY COMMITTEE May 12, 19 72 1-12/210

$ 3,000.00

Three-thousand-and----------NO/100 Dollars

CHEMICAL BANK
20 Pine Street
New York, N.Y. 10015

:0210:0012: 001:5764028

Geraldine J. Laybourne

ARTHUR GRIFFITHS No. 4214

COUNTER CHECK

May 12, 19 72 1-8/210 1

PAY TO THE ORDER OF THE LAWYERS FOR HUMPHREY COMMITTEE, $3,000.00

Three-thousand-and----------NO/100 DOLLARS

FIRST NATIONAL CITY BANK
FIFTY-FIVE WALL STREET
NEW YORK, N. Y. 10005

ACCT. NO.

:0210:0008: 5667 6608

Arthur Griffiths

ARTHUR GRIFFITHS No. 4215
COUNTER CHECK

May 12, 19 72 1-8/210 1

PAY TO THE ORDER OF BOOSTERS FOR HUMPHREY COMMITTEE $3,000.00

Three-thousand-and----------NO/100 DOLLARS

FIRST NATIONAL CITY BANK
FIFTY-FIVE WALL STREET
NEW YORK, N. Y. 10005

ACCT. NO. 5667 6608

:0210:0008:

Arthur Griffiths

CAROL L. NOVAK 533

MAY 12, 19 72 1-30/210

PAY TO THE ORDER OF THE LAWYERS FOR HUMPHREY COMMITTEE-------- $ 3,000.00

THREE THOUSAND AND no/100----------DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
40 Wall Street, New York, N. Y. 10015

FOR

:0210:0030:0140 2: 13366

Carol L. Novak

HUMPHREY EXHIBIT NO. 52

HUMPHREY

1225 19TH ST. N.W., WASHINGTON, D.C. 20036
PHONE: 202-872-1600

DM000001 | C060272 | 018

1972 JUN 5 PM 1 20

AMENDMENT #3

June 2, 1972

The Honorable Elmer B. Staats
Comptroller General of the United States
United States General Accounting Office
441 G Street, N.W.
Washington, D.C.

ATTENTION: Mr. Phillip S. Hughes, Director
Office of Federal Elections

Dear Sir:

Pursuant to your request, this office has attempted to obtain additional information relating to certain contributions received and reported by this office as of May 12, 1972. In the meantime and before such information was received, I was at noon this day hand delivered letters executed by John L. Loeb and his wife, Frances L. Loeb, copies of which you will please find attached hereto and made a part hereof. As you will please note, the letters state that the subject contributions were made possible by Mr. and Mrs. Loeb. In view of the foregoing, you will please consider this letter an amendment of the Report of Receipts and Expenditures I filed on behalf of The Committee for the Nomination of Hubert H. Humphrey, Inc., under date of May 22, 1972, deleting the below noted contributions in the amounts indicated, and substituting in lieu thereof contributions of John L. Loeb and Frances L. Loeb, aggregating in the case of each of them the amount of $24,000.00, and allocated as indicated in the letters attached.

Arthur Griffirths First National City Bank Fifty Five Wall Street New York City, New York	6,000.00
Carol L. Novak Manufacturers Hanover 40 Wall Street New York City, New York	6,000.00
Anne E. Schmitt First National City Bank Fifty Five Wall Street New York City, New York	6,000.00

Arthur Sebastian, Jr. 100 La Salle Street New York City, New York	6,000.00
Sybil M. Senoff Manufacturing Hanover Trust Company 40 Wall Street New York City, New York	6,000.00
Yudita J. Uselyte 210 East 15th Street New York City, New York	6,000.00
Elizabeth H. Pearson 70 Prospect Park, Southwest Brooklyn, New York	6,000.00
Donald J. Sheehan Jeanne H. Sheehan Chemical Bank Roosevelt Avenue Jackson Heights, New York	6,000.00

If you require any additional information, please so advise.

Very truly yours,

THE COMMITTEE FOR THE NOMINATION OF
HUBERT H. HUMPHREY, INC.

Paul R. Thatcher
National Treasurer

PRT/meb

United States
General Accounting Office
Washington

FOR IMMEDIATE RELEASE

June 5, 1972

The Office of Federal Elections, General Accounting Office, today referred to the Justice Department a possible violation of Section 310 of Public Law 92-225, the Federal Elections Campaign Act of 1971, as required by that Act. Section 310 prohibits giving or accepting contributions in the name of another person. Phillip S. Hughes, Director, Office of Federal Elections, stated the case involves eight contributions, under various names, of $6,000 each, acknowledged to have been made possible by John L. and Frances L. Loeb, New York, New York. A letter of explanation received from Paul R. Thatcher, Treasurer of the Committee for the Nomination of Hubert H. Humphrey, has also been referred to the Justice Department.

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICE OF FEDERAL ELECTIONS

June 5, 1972

Dear Mr. Attorney General:

The purpose of this letter is to bring to your attention under the provisions of Section 308(a)(12) of Public Law 92-225 apparent violations of Section 310 of that Act.

In the course of our review of the Report of Receipts and Expenditures filed with our office on May 23, 1972, by Mr. Paul R. Thatcher, Treasurer, Committee for the Nomination of Hubert H. Humphrey Incorporated, a question was raised by our auditors concerning a series of contributions each dated May 12, 1972, and each in the amount of $6,000 dollars, each bearing a different name of the contributor. The occupation and place of business was not given for any of the listed contributors but several showed as the address of the contributors, the name of a bank. A copy of the report is enclosed as Exhibit No. 1.

On June 1, 1972, representatives of this office met with Mr. Thatcher and other officials at the committee's office at 1225 19th Street, N.W., Washington, D.C., to discuss our questions relating to these contributions and certain other matters concerning the committee reports. At that time, our representatives verbally requested the Treasurer to obtain additional information relating to the identities, address and occupation of the contributors. The letter enclosed, Exhibit No. 2, dated June 2, 1972, with attachments received in this office on June 5, responds to that request.

In essence, the Treasurer of the committee writes that he has now received information to the effect that all eight contributions were made possible by John L. Loeb and his wife, Francis L. Loeb. Copies of letters reportedly signed by Mr. & Mrs. Loeb are attached to the Treasurer's letter enclosed. Originals of the letters signed by Mr. & Mrs. Loeb were apparently retained by the committee.

Section 310 of the Act is as follows:

"Sec. 310. No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person."

Sincerely yours,

Signed PHILLIP S. HUGHES

Phillip S. Hughes
Director

The Honorable Richard G. Kleindienst
Acting Attorney General

HUMPHREY EXHIBIT NO. 53

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA, :

- v - : INFORMATION

JOHN L. LOEB, : 73 Cr.

Defendant. :

The United States Attorney charges:

On or about May 12, 1972 in the Southern District of New York and elsewhere, JOHN L. LOEB, the defendant unlawfully, wilfully and knowingly did make and cause to be made political campaign contributions totalling $48,000 which were made in the names of persons other than JOHN L. LOEB, the defendant, in that he caused an employee of his, one Arthur Griffiths, to inquire of the hereinafter named clerical employees of Loeb, Rhoades and Co., a stock brokerage firm in New York, New York if they would contribute to the presidential campaign of Hubert H. Humphrey with funds to be supplied by defendant LOEB. At the urging of defendant LOEB said employees agreed to and did on May 12, 1972 write 15 checks drawn on their personal checking accounts totalling $48,000, made payable to the hereinafter named twelve committees and delivered them directly and indirectly to the defendant LOEB who delivered them to an agent of said committees. Immediately prior thereto, JOHN L. LOEB, the defendant transferred funds totalling $48,000 from his personal account No. 072-07-52179-0 at Loeb, Rhoades and Co. to the personal accounts of said employees at various New York banks.

COUNT	NAMED CONTRIBUTOR/EMPLOYEE	CAMPAIGN COMMITTEE	AMOUNT
1	Arthur Griffiths	Lawyers for Humphrey	$3,000
		Boosters for Humphrey	$3,000
2	Carol Novak	Lawyers for Humphrey	$3,000
		Druggists for Humphrey	$3,000

Fr.:ma

COUNT	NAMED CONTRIBUTOR/EMPLOYEE	CAMPAIGN COMMITTEE	AMOUNT
3	Elizabeth Pearson	The Committee for the Election of Humphrey	$3,000
		Citizens for Humphrey	$3,000
4	Ann E. Schmitt	Committee for Nomination of Hubert H. Humphrey	$3,000
		Elect Humphrey for President	$3,000
5	Arthur W. Sebastian, Jr.	Executives for Humphrey	$3,000
		Senior Citizens for Humphrey	$3,000
6	Sybil M. Senoff	Executives for Humphrey	$3,000
		Encourage Humphrey for President	$3,000
7	Donald and Jeanne Sheehan	Volunteers for Humphrey	$6,000
8	Yudita T. Uselyte	Independents for Humphrey	$3,000
		Boosters for Humphrey	$3,000

(Title 2, United States Code, Sections 440,441)

SILVIO J. MOLLO
Acting United States Attorney

HUMPHREY EXHIBIT NO. 54

IN THE MATTER OF CERTAIN CONTRIBUTIONS TO SENATOR HUMPHREY'S CAMPAIGN COMMITTEES BY NINE PERSONS REIMBURSED FROM FUNDS PROVIDED BY MR. JOHN L. LOEB, SR.

MEMORANDUM AGAINST PROSECUTION

UNDER SECTION 310 PL 92-225

In the Matter of the Contributions to Senator Humphrey's Campaign Committees by Nine Persons Reimbursed from Funds Provided by Mr. John L. Loeb, Sr.

Memorandum against Prosecution under Section 310 of the Federal Election Campaign Act, PL 92-225

Purpose of this Memorandum

The purpose of this Memorandum is to present the factual situation, analyze the Federal Election Campaign Act of 1971, and point out that there appears to be no violation of the Act. The basis for this conclusion is that (1) the contributions were in fact made by the individual contributors, each of whom expressed a desire to do so; they were not made by Mr. Loeb "in the name of another person" as provided by Section 310 of the Act; Mr. Loeb's act, which is not forbidden by the statute, was to reimburse the donors for the amount of their contributions; (2) if there was a violation of §310, it was entirely innocent and no scienter or mensrea was involved; it occurred only about forty (40)days after the effective date of the Act; Mr. Loeb was not informed of the provisions of §310 and was acting in accordance with general practice prior to April 1 when the Act became effective; as soon as he was informed that a new statute was in effect, the construction of which was ambiguous, he filed a statement setting forth the facts and insisted that

a corrective statement be filed with the Office of Federal Elections; the total duration of any technical violation of the reporting provisions of the Act (if it occurred), by allegedly erroneous filing with the Office of Federal Elections, was from May 24 to June 2 - a matter of nine (9) days; and the complete facts were on file with the Office of Federal Elections within the time prescribed by the Act.

However, we wish to emphasize that if the facts are interpreted to import a technical violation of the Act, the civil remedy afforded by the Act is more appropriate and should be pursued in lieu of criminal prosecution under Section 310 of the Act. There was no scienter and no intent to violate the Act, but an innocent mistake, made within a few days after the Act became effective, which resulted in no harm, particularly where full and correct information was supplied within the time allowed for reporting contributions under the Act.

Statement of Facts

On May 10, 1972, Mr. John L. Loeb, Sr., was approached by Senator Hubert H. Humphrey in a meeting also attended by various officials of the Humphrey Finance Organization, and was asked by him to aid in obtaining finances for the Senator's California primary campaign.

On the morning of May 11, Mr. Loeb instructed Arthur Griffiths, a secretarial aide, to ascertain whether personnel at Loeb, Rhoades & Co., supported Senator Humphrey and would contribute to his campaign. Mr. Griffiths was authorized to state that Mr. Loeb would reimburse the contributors. Some of the persons to whom Mr. Griffiths spoke, said that they did not favor Senator Humphrey, whereupon the matter was dropped. Nine persons expressed their support of Senator Humphrey and their desire to make contributions. Mr. Griffiths has advised counsel that the conversation with each of the contributors was as follows:

Griffiths:	"Do you like Senator Humphrey?"
Prospective Contributor:	"Yes."
Griffiths:	"Would you contribute to his campaign?"
Prospective Contributor:	"Yes, but where will I get the money?"
Griffiths:	"You will be reimbursed."
Prospective Contributor:	"In that case, okay."
Griffiths:	"Do you have your checkbook?"
Prospective Contributor:	"Yes."

On the afternoon of May 11, a list of Senator Humphrey's committees, prospective donees of the campaign contributions,

was supplied to Mr. Griffiths by an associate of Senator Humphrey. Each of the donors then made his personal check to one or more of the committees. Mr. Griffiths then arranged for deposits to be made in the bank accounts of each of the nine persons in the amount of the contributions they had made. Such deposits were provided from funds available in the personal accounts of Mr. and Mrs. Loeb.

On May 12, the nine persons drew fifteen checks on their respective bank accounts in the following amounts, to the various committees, as follows:

Contributor	Bank	Amount	Committee
Arthur Griffiths	First Natl City	$ 3,000	Lawyers for Humphrey
		$ 3,000	Boosters for Humphrey
Miss Carol Novak	Mfrs Hanover	$ 3,000	Lawyers for Humphrey
		$ 3,000	Druggists for Humphrey
Elizabeth Pearson	Mfrs Hanover	$ 3,000	The Committee for The Election of Humphrey
		$ 3,000	Citizens for Humphrey
Mrs. Anne E. Schmitt	First Natl City	$ 3,000	Committee for Nomination of HHH
		$ 3,000	Elect Humphrey for President

Contributor	Bank	Amount	Committee
A.W.Sebastian, Jr.	First Natl City	$ 3,000	Executives for Humphrey
		$ 3,000	Senior Citizens for Humphrey
Miss Sybil M. Senoff	Mfrs Hanover	$ 3,000	Executives for Humphrey
		$ 3,000	Encourage Humphrey for President
Donald and Jeanne Sheehan	Chemical	$ 6,000	Volunteers for Humphrey / $3,000 each
Miss Yudita J. Uselyte	Chemical	$ 3,000	Independants for Humphrey
		$ 3,000	Boosters for Humphrey
	Total:	$48,000	

On May 12, Bruce Solomonson, Senator Humphrey's son-in-law, personally called for and received the fifteen contribution checks in Mr. Loeb's office.

On May 24, The Committee for the Nomination of Hubert H. Humphrey, Inc., Paul R. Thatcher, National Treasurer, filed a report of receipts and expenditures. In accordance with its usual practice, it consolidated the receipts of the various committees. Included in the report were the notations of the contributions received by the earlier named nine contributors, aggregating $48,000. The Committee on its own initiative listed the banks upon which the checks were drawn as the

addresses of the contributors.

After the report was filed, inquiries were made by representatives of the Office of Federal Elections and representatives of the press. According to press accounts, their curiosity was aroused because of the repetition of the amount of $6,000 in the case of each donor, and the bank addresses that were listed in the report filed by the Humphrey Committee.

On May 31, Mr. Loeb, having been advised that inquiries were being made by the press, for the first time spoke with counsel. Counsel told Mr. Loeb of the change in the statutes which had become effective April 1. This was Mr. Loeb's first information about the change. Counsel recommended to Mr. Loeb that if the Humphrey Committee had reported the contributions of the individual contributors without stating that they had been reimbursed by Mr. Loeb, a question might be raised by reason of the provisions of Section 310 of the Federal Election Campaign Act of 1971 (PL 92-225). This Section provides:

> "No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person."

Counsel consulted with officials of the HHH Committee and ascertained the facts as to the manner in which the Committee had reported the contributions. He advised Mr. Loeb

of this and Mr. Loeb immediately proceeded to clarify the situation.

On June 1, 1972, Mr. and Mrs. Loeb wrote letters to the committees concerned, advising them that they had made the contributions possible by reimbursing the individual contributors, and asking that the committees' records be amended. On June 2, 1972, these letters were delivered to Mr. Paul R. Thatcher, National Treasurer of the Committee for the Nomination of Hubert H. Humphrey, Inc., and Mr. Loeb's counsel insisted, at Mr. Loeb's instructions, that Mr. Thatcher should forthwith file a supplementary report with the Comptroller General so that the facts would be fully stated. The same day, Mr. Thatcher wrote the Comptroller General, requesting that the Committee's Report of May 22, 1972, be amended to show the facts reflected in the letters of Mr. and Mrs. Loeb.

In summary:

1. The individual contributions were made on May 12, 1972, by checks of the individual contributors.

2. The Humphrey Committee filed its report with the Office of Federal Elections on May 24, 1972. (No filing by the individual contributors - or by Mr. Loeb - is required by the Act.)

3. On June 1, 1972, Mr. and Mrs. Loeb sent to the

Humphrey Committees their letters of amplification. - This was 20 days, less than three (3) weeks, after the contribution was made - and on the ninth (9th) day after the first and only official filing or statement of the identity of the contributors.

4. On June 2, 1972, at Mr. Loeb's direction, the full statement of the Loeb participation in the contribution was filed.

This was only ten (10) days after the initial filing showing the names of the individual contributors.*

I.
The Statute

Briefly summarized, so far as here relevant, the Federal Election Campaign Act substituted disclosure requirements for various limitations prescribed by prior statute (18 U.S.C. 608). The heart of the Act is its reporting provisions. Where, as here, an individual contributed to a political committee, the reporting obligation is placed on the committee, not on the contributor. (Section 304.)

There is and can be no question in this case as to a violation by Mr. Loeb of any reporting requirement. Indeed,

---

* As discussed hereinafter, the June 2, 1972, amendment was submitted in time to comply with the 5-day reporting requirement of the Act since the California primary was held on June 8.

and they did not do so.

In these circumstances, it is obviously unjust to impose any sanctions upon Mr. Loeb, civil or criminal. Certainly, it is hardly conceivable that criminal sanctions would be invoked for what is at most a technical violation, innocently committed on the basis of past, prevalent practice, which was speedily corrected.

In any event, we submit that as a matter of law, criminal sanctions cannot be imposed in this case because of the absence of mens rea. The leading case is Lambert v. California, 355 US 225 (1957). That case elaborates the principle that mens rea - actual knowledge of the existence of a statute - is required as a constitutional matter in certain types of situations, before criminal sanctions can be imposed. As the Supreme Court discusses, the general rule that ignorance of the law does not excuse unlawful conduct, is not applicable where the nature of the act, the subject matter involved, or the circumstances were not such that the accused might reasonably be on notice that the act might be in violation of the law. In Lambert, the Court stated the doctrine as follows (at p.228):

> "The rule that 'ignorance of the law will not excuse' ... is deep in our law, as is the principle that of all the powers of local government, the police power is 'one of the least

a "contribution" by them. See Apt v. Birmingham, 89 F.Supp. 361 (N.D.Iowa 1950) and Harrington v. Emmerman, 186 F.2d 757, 759 (CA, D.C. 1950).

The contributions were not made by fictitious persons, or in the names of persons who were not aware thereof, or by persons who did not affirmatively and voluntarily want to make the contributions. - Section 310 clearly prohibits such transactions, but it does not prohibit reimbursement of a willing, voluntary donor at least where such reimbursement is not part of a deliberate plan to evade the disclosure provisions of the statute.

2. Section 310, to support criminal prosecution, requires Scienter or Mens Rea. This is obviously absent in Mr. Loeb's situation.

Mr. Loeb, in arranging to reimburse the individual contributors, was acting in accordance with widespread practice under the law as it existed until April 1, 1972, when the new Act became effective. He did not know that the new law had changed this practice. He had no reason to be aware of the provisions of Section 310. He had every reason to assume that if there was any question about the manner in which he was proceeding, the officials of the Humphrey organization who were participants in the matter, would have alerted him,

and they did not do so.

In these circumstances, it is obviously unjust to impose any sanctions upon Mr. Loeb, civil or criminal. Certainly, it is hardly conceivable that criminal sanctions would be invoked for what is at most a technical violation, innocently committed on the basis of past, prevalent practice, which was speedily corrected.

In any event, we submit that as a matter of law, criminal sanctions cannot be imposed in this case because of the absence of mens rea. The leading case is Lambert v. California, 355 US 225 (1957). That case elaborates the principle that mens rea - actual knowledge of the existence of a statute - is required as a constitutional matter in certain types of situations, before criminal sanctions can be imposed. As the Supreme Court discusses, the general rule that ignorance of the law does not excuse unlawful conduct, is not applicable where the nature of the act, the subject matter involved, or the circumstances were not such that the accused might reasonably be on notice that the act might be in violation of the law. In Lambert, the Court stated the doctrine as follows (at p.228):

> "The rule that 'ignorance of the law will not excuse' ... is deep in our law, as is the principle that of all the powers of local government, the police power is 'one of the least

> limitable.' ... On the other hand, due process places some limits on its exercise. Ingrained in our concept of due process is the requirement of notice."

The distinction was again drawn in a Supreme Court opinion handed down in 1971, United States v. International Minerals & Chemical Corp., 402 US 558 (1971), where the Court stated (at p.564):

> "Pencils, dental floss, paper clips may ... be regulated. But they may be the type of products which might raise substantial due process questions if Congress did not require ... 'mens rea' as to each ingredient of the offense. But where ... dangerous or deleterious devices or products or obnoxious waste materials are involved, the probability of regulation is so great that anyone who is aware that he is in possession of them or dealing with them must be presumed to be aware of the regulation."

In the present case, the facts, viewed in their most adverse light, are that Mr. Loeb, within about six weeks after the effective date of a new law, proceeded on the basis of long-prevailing practice in complete ignorance of the new statutory provisions. He had every reason to believe that the skilled, professional members of Senator Humphrey's entourage would have alerted him to any procedural irregularities involved, and they did not do so. He took vigorous steps - within 20 days

after the initial transaction and on the day following actual notice - to assure that corrective measures were taken as soon as he learned of the new regulations. In these circumstances, we submit that the absence of mens rea is a defense to criminal prosecution.

This is illustrated by United States v. Mancuso, 420 F.2d 556 (2d Cir. 1970), in which the court held that the failure to register under a narcotics statute (18 U.S.C. 1407) could not be prosecuted in the absence of "knowledge" of the existence of the statute (at p.558). In these circumstances, the court held that Lambert was controlling. Cf. United States v, Juzwiak, 258 F.2d 884 (2d Cir. 1958), cert. den. 359 U.S. 939 (1958).

3. In any event, Section 310 was not violated because timely disclosure was made of the Loeb participation.

The purpose of Section 310 of the Act is to require faithful disclosure of the names of contributors. Even if we assume that Mr. Loeb is to be considered the contributor for purposes of this Section, the statute was not violated in terms of its purpose. (1) Mr. Loeb made no representation or misrepresentation as to the identity of the contributors prior to his letter which stated the facts as to his participation, which was followed immediately by a full and complete disclosure,

at his insistence, by amendment of the Humphrey Committee's filing. (2) The full and complete statement was filed within the statutory period of five days' prior to the election.

The Federal Election Campaign Act is a disclosure statute. It changed the previous laws regarding campaign contributions in one major respect. Under the prior statute, 18 U.S.C.A. 608, all contributors were specifically prohibited from contributing amounts greater than $5,000 to any particular campaign committee. This requirement could easily be circumvented. There was no restriction on the number of campaign committees that could be organized for any candidate. Despite the provisions of the Federal Corrupt Practices Act of 1925, there was literally no effective law dealing with and regulating campaign contributions. See, Supplemental Views of Messrs. Prouty, Cooper and Scott in the Senate Committee on Rules and Administration Report, discussing Senate Bill 382, S.Rep.No. 92-229, 92d Cong., 2d Sess. (1972).

One of the changes enacted by the Federal Election Campaign Act was the repeal of the $5,000 contribution limitation. As Messrs. Prouty, Cooper and Scott pointed out, the Committee, upon examination of the limitations on individual contributions, determined that such a limitation should not be placed on contributions for three reasons: (1) that such a

limitation would probably be unconstitutional; (2) that such a limitation is completely unworkable; and (3) that full disclosure makes such a limitation unnecessary.

Furthermore, the Committee decided that full disclosure of campaign contributions would be a more effective method of controlling these matters than would be a flat limitation on the amount any one person could contribute. The Supplemental Remarks pointed out:

> "Under the new disclosure provisions contained in title II the public will know exactly how a candidate's campaign is financed. Since the disclosure provisions require reports fifteen days and five days before an election, the voter will be in a position to make a judgment at the polls concerning the effect of large individual contributions to a political candidate.
>
> "Recognizing that the present limitation on individual contributions is merely a sham, the committee adopted an amendment which would repeal 18 U.S.C. 608."

The purpose of Section 310, providing that no person shall make a contribution in the name of any other person, was obviously to effectuate the congressional intent for full disclosure regarding campaign contributions. The purposes of this Section are to enable candidates and political committees to fulfill the reporting requirements of Section 304 and to enable the public to be informed as to contributions prior to the

election. These purposes were fulfilled in this case.

Section 304(a) provides:

> "Each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the appropriate supervisory officer reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January."

Section 301(a)(3) and (4) defines the term "election" to mean among other things, "a primary election held for the selection of delegates to a national nominating convention of a political party, [and] a primary election held for the expression of a preference for the nomination of persons for election to office of President."

Mr. Loeb was asked to contribute monies for use in Senator Humphrey's campaign for the Presidential Preference Primary to be held in California in 1972. According to the New York Times Digest, the California primary was held on June 8, 1972. Therefore, it would appear that since this election constituted one covered by this statute,the report required to be filed by the treasurer of the Humphrey committees was due

fifteen days and five days before the date of this election. That is to say, the report was due from the treasurer of the Humphrey Committee on May 24, 1972, and June 3, 1972. Since Mr. Loeb notified the Humphrey Committee on June 1 and the Committee filed a corresponding amendment on June 2 - one day prior to the final date provided by the Act, it would appear that the purpose of Section 310 was fulfilled.

III.

The Available Civil Remedy

Section 308(d)(1) of the Act authorizes the Attorney General to institute a civil action for relief against "any person who has engaged or is about to engage in any acts or practices which constitute or will constitute a violation [of the Act]," and empowers the courts to issue an injunctive "or any other appropriate order." The action of the Attorney General is initiated by the "supervisory officer" - here, the Comptroller General - after investigation and affording due notice and opportunity for hearing.

In our opinion, the statute clearly contemplates that this civil remedy will be invoked in cases which do not involve deliberate, knowing and substantial violations of the law. If Congress had contemplated that technical violations, as allegedly occurred here, should be prosecuted criminally, despite

the fact that they were of short duration and were speedily and voluntarily rectified before voters could possibly have been misled, the civil sanctions would not have been included in the Act, at least as to consummated violations.

The plan of the Act seems clearly to be that the supervisory officer, after the specified procedures, and a judgment on his part that the Act has been or is about to be violated, will refer the matter to the Attorney General. The Attorney General, if he concurs and if he is satisfied that all requisites to establishing a violation of law have been satisfied, may then institute civil or criminal proceedings. It is his responsibility to determine these questions and to select the remedy, if any, to be invoked.

We do not believe that, in this case, the Attorney General can or should arrive at the conclusion that John Loeb can be charged with violating the Act or that the requirements for invoking statutory sanctions have been satisfied. In any event, however, we respectfully submit that the plan of the statute and the facts would in no event support criminal prosecution.

Dated: April 30, 1973

Respectfully submitted,

Lord, Day & Lord

Lord, Day & Lord
Attorneys for John L. Loeb, Sr.
25 Broadway
New York, New York 10004
Telephone: (212) 344-8480

Of Counsel

Herbert Brownell
Woodson D. Scott
Abe Fortas

CONFIDENTIAL

On May 10th, 1972 Mr. Loeb was approached by Mr. Humphrey and asked to contribute to the California Primary Campaign of Mr. Humphrey. Mr. Loeb asked him how much he needed and he suggested $50,000. In accordance with his understanding of accepted practice in previous years, Mr. Loeb proceeded to make funds available to nine persons in his office who stated that they were in favor of supporting Mr. Humphrey and were willing to make contributions subject to Mr. Loeb's providing them with funds. Some of the persons in Mr. Loeb's office who were asked whether they would contribute said they did not support Mr. Humphrey, whereupon the matter was dropped. The nine contributors made the contributions by their personal checks and Mr. Loeb reimbursed them. This was done on May 12th, 1972, and the checks were picked up in Mr. Loeb's office by Mr. Solomonson of the Humphrey Committee. The new Federal Election Campaign Act had become effective on April 1, 1972.

The contributions thereafter received some press notice and Mr. Loeb asked his attorney whether there was any problem. Then, for the first time, Mr. Loeb was advised of

RECEIVED FROM JUSTICE FORTAS 9-12-73.

the new statute which went into effect the first of April and that this statute might require disclosure of the name of the person supplying funds to the contributors.

As soon as Mr. Loeb learned there was a question about it, he took definite steps to correct any misunderstanding or any technical default. Mr. Loeb sent letters dated June 1, 1972, to the Humphrey Committees advising them that he and Mrs. Loeb had supplied the funds to make possible the contributions. Mr. Loeb also insisted that the Humphrey Committees should file corrections to their reports, and they did so.

These contributions, $6,000 by each of the eight persons, totalled $48,000. The additional $2,000 was supplied by Mr. Loeb and duly reported as his own contribution, making a total of $50,000.

The net result was, at most, that there was a period of approximately twenty days when there was allegedly a technical error.

An information was filed against Mr. Loeb in the United States District Court for the Southern District of New

York, on May 16, 1973. The charge was violation of Title 2, USC, §§440-441 (making political contributions in the name of another). He pleaded nolo contendere to three counts on May 31. On June 7, he was fined $3,000 ($1,000 on each count). (Cannella, D.J.)

Mills Campaign

MONDAY, JANUARY 28, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 2:30 p.m., in room 342, Russell Senate Office Building.

Present: Senators Talmadge and Weicker.

Also present: James Hamilton, assistant chief counsel; Donald Sanders, deputy minority counsel; Benjamin Plotkin, minority investigator.

[Certain portions of Mr. Arnold's testimony for this date appear in "Milk Fund Investigation," Book 16.]

Senator WEICKER. Do you swear that the evidence you are about to give the committee is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ARNOLD. Yes, I do.

Senator WEICKER. All set?

Mr. HAMILTON. Yes.

[Recess.]

Mr. PLOTKIN. For the record, I am personally serving Mr. Carl Arnold a subpena issued by the Senate Select Committee on Presidential Campaign Activities, returnable today, January 28, at 2 p.m.

I should further like to point out that Mr. Arnold is appearing here voluntarily, notwithstanding the subpena.

Mr. SANDERS. Would you state your name, please?

TESTIMONY OF CARL ARNOLD, ACCOMPANIED BY J. D. WILLIAMS, COUNSEL

Mr. ARNOLD. Carl F. Arnold.

Mr. SANDERS. Would you state your residence and office addresses?

Mr. ARNOLD. My legal residence is 867 Canal Drive, McLean, Va. I have got a couple of offices. The one here in Washington is 1100 Connecticut Avenue.

Mr. SANDERS. How many other offices do you have?

Mr. ARNOLD. One other.

Mr. SANDERS. And what is that address?

Mr. ARNOLD. That's in the Murphy and Arnold Building in Batesville, Ark.

Mr. SANDERS. And what is your principal business activity or professional activity?

Mr. ARNOLD. It is hard to define principally. Can I just sketch the major ones?

In Arkansas I am in the farming and real estate business. At various places in this country and in Canada I am in the business of trying to find new supplies of oil and gas—exploring for oil and gas. In Washington, two things, looking after investments, and as a business consultant.

Mr. SANDERS Do you have a firm name?

Mr. ARNOLD. No, sir; just my name, no associates or anything else.

Mr. SANDERS. Unincorporated?

Mr. ARNOLD. Just Carl F. Arnold.

Mr. SANDERS. Are you in business with any other persons?

Mr. ARNOLD. I am in a lot of partnerships, and I own stock in a lot of corporations.

Mr. WILLIAMS. May I inquire? We would like to request a transcript of this session. I couldn't tell from the rules. It states even——

Mr. SANDERS. Why don't we go off the record?

[Discussion off the record.]

Mr. SANDERS. Mr. Arnold, did you serve in any official capacity with any adjunct of the Mills for President effort in 1971 and 1972?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Did you serve in any unofficial capacity, assisting the Mills Presidential effort?

Mr. ARNOLD. Well, I served in the same capacity I would serve with any friend, where I could be of some help.

Mr. SANDERS. It is my understanding that the draft Mills effort began in mid-1971, principally at the initiation of Mr. Charles Ward. Are you acquainted with him?

Mr. ARNOLD. Yes, sir.

Mr. SANDERS. Or did you serve in the draft effort in conjunction with Mr. Ward?

Mr. ARNOLD. Well, I will have to explain that. I never did work for him or with him but we had frequent conversations. You know, I would say, "How are things going," and he'd tell me, but he had a headquarters set up. I had no connection whatever with the headquarters.

Mr. SANDERS. Do you have a home in Arkansas also, or is your present place of residence here?

Mr. ARNOLD. Well, I have three of them part time. It depends on whether they are occupied. I have got three houses down there, but I am down there an awful lot.

Mr. SANDERS. In what manner did you assist the Mills Presidential effort?

Mr. ARNOLD. Well, the only real manner would be asking friends to help the campaign. Here again, let me emphasize it was no different than if any member of this committee who was a friend of mine——

Mr. SANDERS. I am not imputing anything wrong with your activity. I just wanted to get an understanding of what your involvement was.

Mr. WILLIAMS. I had understood there were four areas we were going to go into. Was I correct?

Mr. SANDERS. Yes, but I am trying to find out what the nature and character of his involvement was in the Mills campaign.

I don't think I can intelligently go into the others until I explore the relationship he had with the campaign. Did the support that you

have mentioned that you tried to develop among friends of yours, did that extend to financial support?

Mr. ARNOLD. Yes, sir.

Mr. SANDERS. Did you seek—did you solicit financial contributions for the Mills campaign?

Mr. ARNOLD. Yes, in the sense that anybody I knew—if they inquired about it, I would tell them that I understood the campaign needed some financial assistance, and if they could be of any help——

Mr. SANDERS. Was this all by personal contact, or did you do any by mail?

Mr. ARNOLD. I don't recall doing any by mail.

Mr. SANDERS. Did your fundraising activities extend up to the time of the Democratic Convention?

Mr. ARNOLD. Prior to April 7, I was more active than after April 7. After April 7, if somebody asked me, then, yes; I would say I understand they have got a deficit and any help would be appreciated.

Mr. SANDERS. Did you solicit a contribution from Gulf Oil Corp.?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Are you acquainted with Claude Wild?

Mr. ARNOLD. He's a very good friend.

Mr. SANDERS. Did you contact Claude Wild and seek a contribution from him?

Mr. ARNOLD. I'm sure I did. I don't recall the details of it, but Claude and I see each other all the time and I'm sure at some point I said, help if you can.

Mr. SANDERS. Did Claude Wild deliver a contribution to you for Congressman Mills?

Mr. ARNOLD. Claude Wild delivered to me a sealed envelope. This was at his office and he said that there was $15,000 cash in it, and I had it delivered to the Mills committee. I never opened the envelope.

Mr. SANDERS. This transfer occurred at his office?

Mr. ARNOLD. Yes.

Mr. SANDERS. And he said it contained $15,000?

Mr. ARNOLD. That is my recollection.

Mr. SANDERS. Cash?

Mr. ARNOLD. Yes.

Mr. SANDERS. How did you—did you go to his office on that day knowing that you were to receive this money?

Mr. ARNOLD. I believe I did. As I recall, he called me up and said I've been able to get some help for you. Why don't you come pick it up, or words to that effect.

Mr. SANDERS. This call, then, to you to come and pick up the money, was in response to a previous request you had made to him for assistance for Mills?

Mr. ARNOLD. Well, as I said, I don't recall that specific conversation, but I see him constantly and our offices are almost across the street from each other. And we are old friends and I am confident that at some point I said, "I understand the campaign needs some help."

Mr. SANDERS. Do you recall the approximate time of your contact with Wild for some financial assistance?

Mr. ARNOLD. No, sir, I don't. And I have searched, and searched, and tried to remember, and if he testified to it, I have no reason to disbelieve him about the timing.

I can say late 1971 or early 1972.

Mr. SANDERS. Do you recall the approximate lapse in time between your request for the money and the delivery of it?

Mr. ARNOLD. No, sir, I don't.

Mr. SANDERS. For the Mills Presidential effort, did you receive any previous deliveries of funds from Claude Wild?

Mr. ARNOLD. No, sir.

Mr. SANDERS. When he gave you this money, was anyone else present?

Mr. ARNOLD. No, sir.

Mr. SANDERS. You said the envelope was sealed?

Mr. ARNOLD. Yes.

Mr. SANDERS. Did you open it?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Did it contain any markings?

Mr. ARNOLD. As I recall, it was a plain, brown envelope.

Mr. SANDERS. Did he tell you where he had obtained the money?

Mr. ARNOLD. No, sir

Mr. SANDERS. Did you suppose that this was Claude Wild's personal contribution?

Mr. ARNOLD. Well, I knew that Claude knew the law and I certainly never suspected it was corporate money. Claude was a pretty wealthy fellow in his own right and my presumption was that it was private money.

Mr. SANDERS. Who did you take the money to?

Mr. ARNOLD. I don't recall the specifics on this, but I think that what I did was just call the headquarters and say, "Somebody come pick this up."

Mr. SANDERS. When you say "headquarters" you mean the Mills campaign office?

Mr. ARNOLD. Yes.

Mr. SANDERS. Do you remember who you talked to?

Mr. ARNOLD. No, sir, I don't.

Mr. SANDERS. Did someone come and pick it up?

Mr. ARNOLD. Yes, sir.

Mr. SANDERS. Who?

Mr. ARNOLD. I don't recall.

Mr. SANDERS. Was it someone that you had known previously?

Mr. ARNOLD. It could have been—or it could not have been. That would depend. They ran the most confused campaign in the world, as the vote reflects, and the personnel were constantly shifting. Volunteers would come in and stay 3 days or 3 weeks or whatever, and then leave.

Mr. SANDERS. Was the person picking up the money a courier-type individual? Or some official?

Mr. ARNOLD. I really don't know.

Mr. SANDERS. What did you tell the person picking up the money?

Mr. ARNOLD. Well, I'm sure I told him to deliver it to whoever was in charge.

Mr. SANDERS. Did you have any direct conversation with the person who was to open this?

Mr. ARNOLD. I don't remember.

Mr. SANDERS. Who did you consider to be in charge?

Mr. ARNOLD. Well, nobody. That was the problem in the campaign. But generally speaking, Charles Ward was in charge for a while. At

some later date, Joe Johnson had the title of president of the campaign. Pat McGahan had the title of campaign manager. And, in fact, none of these people did what we would normally think of as the normal functions of those titles.

Mr. SANDERS. At the time you delivered the money to the person from the campaign office and told them to give it to whoever was in charge, who did you think it was going to?

Mr. ARNOLD. I'll repeat. It was whoever was in charge and I don't recall who it was at the time involved.

Mr. SANDERS. Did you get a receipt for the delivery of the envelope?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Was it still sealed when you turned it over?

Mr. ARNOLD. Yes, sir.

Mr. SANDERS. Did you have any subsequent conversation with any personnel at the campaign office concerning that package?

Mr. ARNOLD. I can't recall. I may have, I don't recall any specific conversation.

Mr. SANDERS. Did you, at the time of delivery, did you state that the money was from Wild?

Mr. ARNOLD. No, sir, I would never have done that.

Mr. SANDERS. Why wouldn't you have done that?

Mr. ARNOLD. It was none of their business.

Mr. SANDERS. If it had been his personal contribution, would that not have been something that was not necessary to conceal?

Mr. ARNOLD. Well, if Mr. Wild wanted that told—the way I felt then and the way I feel now, he would have told them.

Mr. SANDERS. Do you know why he made the donation in cash, as opposed to check?

Mr. ARNOLD. Except what I have read in the papers, I don't.

Mr. SANDERS. But contemporaneously——

Mr. ARNOLD. No, sir.

Mr. SANDERS. Did you think it unusual to be given such a large sum of cash instead of a check?

Mr. ARNOLD. Not from Claude Wild, or any such wealthy person.

Mr. SANDERS. Well, to the best of your knowledge, would that package not have borne any indication of the identity of the donor?

Mr. ARNOLD. I don't recall it having any markings on it whatsoever.

Mr. SANDERS. So that upon receiving it at the campaign office they would have no way of knowing the identity of the donor?

Mr. ARNOLD. I don't suppose they would.

Mr. SANDERS. Did anyone in the campaign office at any time ever ask you who had given some money?

Mr. ARNOLD. I don't remember anybody asking that; no, sir.

Mr. SANDERS. Did you make the identity of the donor known at a later time?

Mr. ARNOLD. As I recall, I told Chairman Mills about it some time around convention time, probably. I'm not even positive about that date. I never mentioned the sum to the chairman. I just said that Claude had been helpful, or words to that effect.

Mr. SANDERS. In what context did the matter arise in your conversation with Chairman Mills?

Mr. ARNOLD. I don't know.

Mr. SANDERS. Were you talking about Gulf Oil, or were you talking about Claude Wild?

Mr. ARNOLD. I was talking about Claude.

Mr. SANDERS. In some other connection?

Mr. ARNOLD. Somebody might have mentioned his name and it reminded me or something like that. I don't recall the specifics of it.

Mr. SANDERS. Well, to your knowledge, in 1972 did Chairman Mills know the size of the contribution?

Mr. ARNOLD. Well, to my knowledge, the first time he would have known about it would have been when he—when Claude called me before he pleaded guilty to this charge.

Mr. SANDERS. This is in 1973?

Mr. ARNOLD. No. I don't know in 1972 of any occasion when he would have known the amount.

Mr. SANDERS. Or that it was in the form of cash?

Mr. ARNOLD. No. That is the kind of question that Chairman Mills doesn't ask, and he doesn't necessarily want to be told, either.

Mr. SANDERS. At the time of receipt of that money, you did not know that it had its genesis in Gulf Oil corporate assets?

Mr. ARNOLD. Definitely not. If I had known that, I would have returned it. I wouldn't have accepted it.

Mr. HAMILTON. Had you known Mr. Wild to make similar types of political contributions in large amounts?

Mr. ARNOLD. Not to my firsthand knowledge.

Mr. HAMILTON. Well, had you some hearsay knowledge that Mr. Wild had made large contributions of cash?

Mr. ARNOLD. I would not say he was in the habit of it.

Mr. HAMILTON. But had you heard that he had made some large contributions in the past?

Mr. ARNOLD. Well, I may have or I may not have. I can't remember any specific time or any specific person I heard it in connection with.

Mr. HAMILTON. But it didn't surprise you that Mr. Wild was able to make an amount—a contribution of this amount from his own personal finances?

Mr. ARNOLD. Not in the least, no, sir.

Mr. HAMILTON. Well, did you have any specific information about Mr. Wild's net worth, or did you just assume that he was a man of some means?

Mr. ARNOLD. Well, in his conversations he has mentioned—he has never sat down and told me what his net worth was, and he wouldn't, and I wouldn't want to hear it—but he has mentioned investments he has made and things that led me to believe that he was quite well-off.

Mr. HAMILTON. Well, I take it from your previous testimony that you didn't ask Mr. Wild if he were the source or if Gulf were the source. You just assumed——

Mr. ARNOLD. No, sir.

Mr. HAMILTON. So there was no communication between you as to the source?

Mr. ARNOLD. No, sir. But I would point out that Mr. Wild is a lawyer and he knows the law, and it just never dawned on me that he would—if you want to know the truth, it never dawned on me that he would do that to Mr. Mills. That shocked me, that he would put him in that position.

Mr. HAMILTON. Had you ever received a contribution in cash of this size for Mr. Mills before, or since, for that matter?

Mr. WILLIAMS. I think I have to object to that question. That isn't within the confines of what we were supposed to be discussing today.

Mr. SANDERS. Well, you mean in regard to the 1972 Presidential campaign?

Mr. HAMILTON. Yes.

Mr. WILLIAMS. Well, I understood the four areas were going to be——

Mr. SANDERS. Well, may I make a remark here?

I acknowledge that I talked with you on the telephone and I attempted to give you, to the best of my ability, the principal areas we would cover today, but I think I also made clear—I don't think I committed myself to be absolutely bound to those areas. And I think I mentioned to you that we have—and our mandate extends to the whole 1972 Presidential campaign. And I hope you are not representing that I agreed to strictly be bound by the four areas.

Mr. WILLIAMS. No. There was no strict discussion. And I said these are the four areas that are reconfirmed by phone: the Gulf, the delivery of money to New Hampshire, and the knowledge he might have of cash deliveries to Mills' campaigns by AMPI, and the contributions to the Mills campaign by 3M.

Mr. SANDERS. I gave those to you by way of courtesy, so you would have the best possible chance of preparing and the statement to you that, as of that time, those were the main areas that I was interested in.

Mr. ARNOLD. Well, those are the only areas in which we have concentrated.

Mr. HAMILTON. I might suggest that you have a perfect right to have a conference with your client if this last question bothers you.

Mr. WILLIAMS. Well, I wouldn't say it bothers us. It's just that you have got to sit down and think.

Would you repeat the question.

Mr. HAMILTON. I think I can repeat it. The question was, have you ever received contributions in cash for Mr. Mills of this amount, either before or after the money delivered to you by Mr. Wild?

Mr. WILLIAMS. This is in connection with the 1972 Presidential campaign?

Mr. HAMILTON. Yes.

Mr. ARNOLD. I don't recall any contributions.

Mr. HAMILTON. But did you have an occasion to ask Mr. Wild why the contribution was in cash rather than check?

Mr. ARNOLD. No, sir.

Mr. HAMILTON. Did you think it was unusual that it was cash rather than check?

Mr. ARNOLD. Well, I was just thankful to get it. That was about the situation.

Mr. HAMILTON. But that didn't strike you as being an unusual way for him to make a personal contribution?

Mr. ARNOLD. Him or anyone else, no. I guess there are some people who, under the then-existing law, probably didn't want it known who they were giving money to. You and I—if the Pope gave $100,000, or $15,000, or any amount to these 4 Senators and didn't give it to the other 96, the other 96 would be mad at him. So I think it is perfectly reasonable for people, under the law at that time, to want confidentiality.

Mr. HAMILTON. But I take it there was no discussion as to his reason for making the cash contribution?

Mr. ARNOLD. No, sir.

Mr. HAMILTON. Now, I believe you testified that you called up the Draft Mills for President office and asked that somebody come over, and you believe that you gave the money to a courier.

You had absolute faith that the various people over there who were running the messenger service—you weren't nervous about giving the money to a courier?

In other words, you didn't feel it necessary to go right to Mr. Ward or Mr. McGahan or Mr. Johnson, or whoever might have been over there?

Mr. ARNOLD. I never had any reason to distrust anybody in headquarters. Let me correct something else. You said I called the Draft Mills?

Mr. HAMILTON. It depends on the time.

Mr. ARNOLD. I don't know what committees they were dealing with.

Mr. HAMILTON. Well, the Mills campaign committee, to use a generic term. And you don't remember whom you talked to when you called on the telephone?

Mr. ARNOLD. No; I don't.

Mr. HAMILTON. And you don't remember who the specific individual was that picked it up?

Mr. ARNOLD. No, sir. I wish I could. It would make things so much clearer.

Mr. HAMILTON. And I take it, it is your testimony that the only person in the campaign that you told that Mr. Wild had contributed this money was Mr. Mills around convention time?

Mr. ARNOLD. That's the only time I ever recall mentioning it to him, yes.

Mr. HAMILTON. And you don't recall mentioning to him the amount?

Mr. ARNOLD. No, sir.

Mr. HAMILTON. Did you have any conversation with him as to the form; in other words, cash as opposed to check?

Mr. ARNOLD. I don't recall any such conversation.

Mr. HAMILTON. Do you have any reason to believe that Mr. Mills—before this matter became public in the past year—any reason to believe that Mr. Mills knew that it was a corporate contribution?

Mr. ARNOLD. You said before it became public?

Mr. HAMILTON. Yes.

Mr. ARNOLD. Claude Wild called me the day before, I believe, he pleaded guilty; it may have been the day before he revealed it to you all. It was the day before other people were to know about it, and he told me that it had been corporate money and that he was going to say so. I think that was on a Friday, wasn't it? I believe it was on a Friday, and he called me late that afternoon.

I got so alarmed about it that I got my counsel, Mr. Williams, out of bed the next morning at about 7:30, and I said: "We have got to go to Arkansas right now and tell Mr. Mills that this is corporate money and it is going to be made public," and we did that. And to my knowledge, that is the first that he knew that it was corporate money.

Mr. HAMILTON. And did Mr. Mills so state that to you when you flew down to Arkansas, or did you come away with that distinct impression, either one?

Mr. ARNOLD. Well, I came away with the distinct impression that he was highly agitated and disturbed that Mr. Wild had put him in that position.

Mr. HAMILTON. OK.

Mr. PLOTKIN. Just to clarify a point that Mr. Hamilton brought up in one of the questions he asked you, he asked you if you received any other cash contributions of a sum similar to the $15,000 referred to.

I would like to further detail that question by inquiring, did you receive any other cash contributions over $1,000?

I mean, not where you think you might have been given it in an envelope by somebody. I'm not asking you to reveal any names. But do you know for a fact that somebody gave you cash contributions in excess of $1,000?

Mr. ARNOLD. Yes.

Mr. PLOTKIN. Was there more than one contribution?

Mr. ARNOLD. There was more than one.

Mr. PLOTKIN. Do you know the amounts, or have a rough idea of the amounts, of any or all of these contributions that you received?

I mean, do you remember, like someone gave you $1,000, someone gave you $5,000?

Mr. ARNOLD. I can't remember specifics. We haven't worked on this aspect at all. If you can help jog my memory in some way, maybe so.

[Discussion off the record.]

Mr. PLOTKIN. Back on the record.

Were any of the cash contributions you received from corporate funds?

Mr. ARNOLD. Not to my knowledge, no, sir.

Mr. PLOTKIN. Are you stating, not to your knowledge from the time that you received the contribution, or now that you are looking at it in retrospect?

Do you think any of them may have been from corporate funds, now that you're reflecting on it?

Mr. ARNOLD. Well, I've no reason to think that.

Mr. PLOTKIN. Do you know of any cash corporate contributions by any Arkansas corporations?

Mr. ARNOLD. No, sir.

Mr. PLOTKIN. Do you know of any cash contributions made by any corporations, even if you didn't handle the funds?

Mr. ARNOLD. Other than what I've read in the newspaper, no.

Mr. PLOTKIN. Do you have any idea, in very general terms, of the amount of cash contributions you received?

I mean, would it be under $50,000, let's say?

Mr. ARNOLD. I haven't any idea.

Mr. PLOTKIN. Were all the cash contributions for Chairman Mills' campaign?

Mr. WILLIAMS. I don't understand your question. The question is susceptible to so many different understandings.

Mr. PLOTKIN. OK. Let me rephrase it. Did you receive any cash contributions for any Presidential campaign, contender campaign, other than Chairman Mills'?

Mr. ARNOLD. No, sir.

Mr. PLOTKIN. Was it your intent that any funds you received, you were doing as a friend to aid the chairman's Presidential bid?

Mr. ARNOLD. Yes. I was trying to help Mr. Mills.

Mr. PLOTKIN. And you were not involved in providing any kind of assistance to any other Presidential contender?

Mr. ARNOLD. I'm with you now. You mean did I back more than one horse?

Mr. PLOTKIN. Right.

Mr. ARNOLD. No; I did not and would never be caught at that, either.

Mr. PLOTKIN. Did Mr. Wild say anything to you as to why he did make an anonymous contribution? I assume that the purpose in going through you was so that it would be an anonymous contribution, an anonymous contribution directly to the Mills for President Campaign Committee?

Mr. ARNOLD. He didn't say a word at the time. Since then, I think when he testified before you all, he implied that he gave it to me because he trusted me.

Mr. PLOTKIN. Did it occur to you at the time that he could have just as easily made the contribution directly to the committee?

Mr. ARNOLD. No, sir, and in view of our friendship, I think that would be kind of funny if he went to somebody he didn't know very well and give it.

Mr. PLOTKIN. In view of your friendship, perhaps he shouldn't have given you corporate funds.

Mr. ARNOLD. Well, that's right.

[Discussion off the record.]

Mr. SANDERS. Back on the record. Have you ever seen or heard of any indication that a Gulf contribution—I should say that the money you received from Claude Wild—was $10,000 rather than $15,000? Has it always been your understanding clearly that it was $15,000?

Mr. ARNOLD. Well, I have never had a definite understanding of what it was, because I never saw it. All I know is what Mr. Wild told me.

Mr. SANDERS. You have never heard anything else that was in conflict with what Wild had said to you about the amount?

[Discussion off the record.]

Mr. SANDERS. Back on the record. Did you, in working with the Mills campaign, did you travel to New Hampshire?

Mr. ARNOLD. I went to New Hampshire, yes, sir.

Mr. SANDERS. For the purpose of assisting the Mills campaign?

Mr. ARNOLD. No. I did not go up there to work, no, sir. I went up and came back, as I recall, the same day.

Mr. SANDERS. Did your trip have some relationship to the Mills campaign effort in New Hampshire?

Mr. HAMILTON. He wanted to put something in the record.

Mr. WILLIAMS. I talked to Mr. Wild and this came to me in my capacity as counsel for various people other than Mr. Arnold, but I am authorized, and I would like to submit that. It is from Gulf's attorneys, and I can state to my own knowledge——

Mr. HAMILTON. I would like to have that. I think we ought to put that in the record, and I think we ought to make it exhibit 1.

Mr. SANDERS. So marked.

[Whereupon, the document referred to was marked Arnold exhibit No. 1 for identification and appears on next page.]

ARNOLD EXHIBIT NO. 1

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EDWARD J. GREENE
DONALD C. WILSON
ROBERT C. MCCARTNEY
WILLIAM B. MALLIN
BARTON Z. COWAN
EDWIN L. KLETT
THOMAS D. WRIGHT
C. ARTHUR WILSON, JR.
C. KENT MAY
WM. ALVAH STEWART, III
DALE E. WILLIAMS
EDWARD G. O'CONNOR
DALE HERSHEY
ROBERT W. DOTY
ROBERT P. LAWRY
J. GARY KOSINSKI
ROBERT J. TATE
DAVID B. WARD
JOHN R. KENRICK
ROBERT B. WILLIAMS
WILLIS A. SIEGFRIED, JR.
STEWART R. SNODGRASS, JR.
JAMES S. CURTIN
DAVID E. TUNGATE
RICHARD W. GLADSTONE, II
DAVID L. PARMER
ROBERT H. BARBAROWICZ
G. RICHARD GOLD
WILLIAM R. NIERNBERG
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KENNETH B. PETERSON
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DANIEL A. TOOLE
PETER C. RAGGERMAN

COUNSEL
WILLIAM WATSON SMITH
1871-1964

LEON E. HICKMAN

November 29, 1973

The Mills for President Committee
Washington, D. C.

Gentlemen:

As attorneys for Gulf Oil Corporation, we have been advised recently that in early 1972 a contribution of $15,000 was made to The Mills for President Committee from Gulf's funds by its Vice President of Governmental Relations, Mr. Claude C. Wild, Jr.

Our investigation does not disclose that Mr. Wild advised The Mills for President Committee as to the source of the funds. It is unfortunate that this contribution was made; but, in view of the fact that it was made from Gulf's funds, we have no alternative but to request that it be returned to Gulf Oil Corporation.

We would appreciate your early response to this request.

Very truly yours,

ECKERT, SEAMANS, CHERIN & MELLOTT

BY Cloyd R. Mellott

CRM:BB

Mr. WILLIAMS. Can I submit a letter for the record that Mr. Mills has voluntarily repaid this out of his own pocket?

Mr. SANDERS. I would like to have a letter to that effect.

Mr. WILLIAMS. And I cleared that with Mr. Wild. I cleared the submission of that.

[Whereupon, the committee proceeded temporarily to the discussion of other matters of which testimony is not printed.]

Mr. SANDERS. With respect to sums of cash that you received on behalf of the Mills Presidential effort, a question which was raised by Ben Plotkin a few minutes ago, did you receive from any one source, at any time in 1971 or 1972, any sums of cash of $10,000 or more, other than what we have already discussed today, other than the Gulf Oil contribution——

Mr. WILLIAMS. Are you talking about one contribution?

Mr. SANDERS. Let's go off the record for a minute.

[Discussion off the record.]

Mr. ARNOLD. To the best of my recollection, there was one that could have been more than that, and I want to emphasize that we haven't concentrated on this——

Mr. SANDERS. I realize that. That's the principal reason why I was making it a larger sum to assist in your recollection.

Would you tell us the donor of that sum?

[Discussion off the record.]

Mr. ARNOLD. I cannot tell you. I don't know who the donor was, but I can tell you who I received it from.

Mr. SANDERS. All right.

Mr. ARNOLD. And here again, I want to emphasize, I am not confident of the total amount, and the only one I can recall at this time was John Kinnard.

Mr. SANDERS. Would you spell his name, please?

Mr. ARNOLD. K-i-n-n-a-r-d, I believe.

Mr. SANDERS. And what is his business or professional association?

Mr. ARNOLD. He is in Washington with the American Truckers Association.

Mr. SANDERS. Did you solicit this sum from Mr. Kinnard?

Mr. ARNOLD. Well, I probably did, yes. I believe I did. Not that sum. I solicited help.

Mr. SANDERS Is he the Washington representative for the American Truckers Association?

Mr. ARNOLD. I don't know what his job over there is.

Mr. SANDERS. Is he still with that firm?

Mr. ARNOLD. I don't know that.

Mr. SANDERS. And what were the circumstances of the delivery of the money to you?

Mr. ARNOLD. Well, he came to my office two or three times. To be safe, let's say two, three, or four times. I don't recall; several times, and brought money.

Mr. SANDERS. Do you mean that it took several increments to total what you think might have been over $10,000?

Mr. ARNOLD. Now, I want to make sure—I'm not certain, I'm not sure of the amount, but it was several thousand dollars, I would presume. I'm sure John would know. I hope he would know.

Mr. SANDERS. Well, the only thing I wanted to get clear was, even though there might have been several deliveries, was there any one which itself might have been over $10,000, or are you thinking that in the aggregate——

Mr. ARNOLD. Yes, sir; it might have gone over that.

Mr. SANDERS. Do you know the source of those funds?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Did he present along with the money a list of donors?

Mr. ARNOLD. No, sir; and there was no legal requirement to.

Mr. SANDERS. Was this before April 7?

Mr. ARNOLD. Yes, sir.

Mr. SANDERS. Do you know approximately when?

Mr. ARNOLD. I haven't got the faintest idea.

Mr. SANDERS. Did he make any representation to you of the source of the money?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Was any receipt given to him?

Mr. ARNOLD. No, sir.

Mr. SANDERS. What did you do with the money?

Mr. ARNOLD. Sent it over to the Mills committee.

Mr. SANDERS. Do you know who actually received it?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Have you at any time up to the present heard that these moneys from Kinnard were corporate or union funds?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Do you know what use was made of the money?

Mr. ARNOLD. No, sir. I had no connection at all with disbursements.

Mr. SANDERS. Do you have any knowledge of any circumstances which would indicate that the campaign office of Chairman Mills had any system for accumulating and using cash moneys differently than that by which they handled checks?

Mr. ARNOLD. I have no knowledge about how they handled anything, period. I never got into their activities.

Mr. HAMILTON. I might make a suggestion. I think it might be helpful if you could submit to us a list of cash contributions that you received that you believe were over a certain amount, and we could pick whatever amount you want, Don. We could pick $1,000, we could pick $5,000, just to indicate the affiliation of the person who made the cash contribution. I think that might be a little bit helpful.

[Discussion off the record.]

Mr. SANDERS. To your knowledge—first of all, were you at the Miami convention?

Mr. ARNOLD. Yes, sir.

Mr. SANDERS. To your knowledge, did the Mills campaign receive a contribution either from 3M or from any officers of 3M?

Mr. ARNOLD. I have no knowledge of that.

Mr. SANDERS. Do you have knowledge of the delivery of a $1,000 check to the Mills campaign by a Washington representative of 3M?

Mr. ARNOLD. No, sir.

Mr. PLOTKIN. I want to ask a couple of questions for the record with regard to what Mr. Hamilton said.

Did you keep, at the time you were receiving these contributions, a record of what contributions you were receiving?

Mr. WILLIAMS. What contributions are you talking about?

Mr. PLOTKIN. Cash contributions.

Mr. ARNOLD. No, sir. I was just a courier.

Mr. PLOTKIN. And just to clear up something in my mind, did you say earlier in your testimony that you did not make it a practice to solicit funds for Mr. Mills' Presidential bid?

Mr. ARNOLD. No, sir, I did not say that.

Mr. PLOTKIN. It was just the opposite. It was your policy to aid him in any way possible?

Mr. ARNOLD. If anybody inquired or if I saw somebody that I knew had some money and was a wealthy guy or something, I am sure I mentioned it. Every time I got a chance, I mentioned it.

Mr. PLOTKIN. That's all I have.

Mr. SANDERS. To your knowledge, did Chairman Mills pay for any debts at the Miami convention incurred by Congresswoman Chisholm?

Mr. ARNOLD. I do not know anything about that. As I said before, I had nothing to do with disbursements.

Mr. SANDERS. Did you hear that he had? Did you learn that from any other persons in the Mills campaign?

Mr. ARNOLD. No, sir.

Mr. SANDERS. Did you have any contacts with anyone in the Chisholm campaign in that connection?

Mr. ARNOLD. No, sir.

[Whereupon, the committee proceeded to the discussion of other matters and adjourned at 4:10 p.m.]

Reference will be made in chapter 7 of the final report to the following Mills exhibits.

MILLS EXHIBIT NO. 1

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD H. BAKER, JR., TENN., VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
JOSEPH M. MONTOYA, N. MEX.

SAMUEL DASH
CHIEF COUNSEL AND STAFF DIRECTOR
FRED D. THOMPSON
MINORITY COUNSEL
RUFUS L. EDMISTEN
DEPUTY COUNSEL

United States Senate

SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

TO: Donald G. Sanders

FROM: Brenda Robeson

DATE: June 26, 1974

SUBJECT: Terry Shea and Mills Presidential Campaign Committees

According to documents from the National Savings and Trust Company of Washington, D. C., specifically the "Resolution -- Authorization to Open Organization Account", Terry Shea was Acting Secretary of the following committees:

DATE OF DOCUMENT	NAME OF COMMITTEE	DATE OF ELECTION TO POSITION
12/03/71	National Movement for Wilbur Mills	12/02/71
12/08/71	Students for Better Government	12/07/71
12/11/71	Actional Committee for Economic Growth	12/10/71
12/16/71	Concerned Citizens for a Sound Economy	12/15/71
01/11/72	Government Action Committe for Mills in '72	01/10/72
01/12/72	Mills' Presidential Movement for '72	01/11/72
01/14/72	Citizens for Rational Spending	01/13/72

DATE OF DOCUMENT	NAME OF COMMITTEE	DATE OF ELECTION TO POSITION
01/19/72	Fiscal Sanity Committee	01/18/72
01/24/72	Committee for National Prosperity	01/21/72
01/26/72	Concerned Voters of America	01/25/72
01/27/72	American Voters for Mills	01/26/72
02/10/72	Americans for National Action	02/09/72
02/14/72	Citizens for National Growth and Development	02/11/72
02/17/72	National Growth and Development Committee in '72	02/16/72
02/23/72	Citizens for a Sound Nation in '72	02/22/72
03/01/72	Concerned Citizens of America	02/29/72
03/06/72	Americans for Economic Development	03/03/72
03/06/72	Citizens for Good Government	03/03/72
03/06/72	Citizens for Mills	03/03/72
03/06/72	Committee to Elect Wilbur Mills	03/03/72
03/06/72	Good Government Action Committee	03/03/72
03/06/72	Mills in '72 Committee	03/03/72
03/06/72	Sound Economic Growth Committee	03/03/72
03/06/72	Victory in '72 Committee	03/03/72
03/06/72	Wilbur Mills for President Committee	03/03/72

Attached are copies of the relevant documents from the National Savings and Trust Company of Washington, D. C.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of National Movement for Wilbur Mills, do hereby certify that the following is a true copy of a resolution adopted at a special / regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 2nd day of December, 19 71, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of National Movement for Wilbur Mills is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3] _____

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] National Movement for Wilbur Mills held on the 2nd day of December, 19 71:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 2nd day of December, 19 71.

(SEAL)

Terry Shea (Acting) Secretary.

Received _____

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of Students for Better Government, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 7th day of December, 19 7 , a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Students for Better Government is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Students for Better Government held on the 7th day of December, 19 7 1:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 7th day of December, 19 7 1

(SEAL)

Terry Shea
acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting the undersigned/Secretary of Action Committee for Economic Growth, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 10th day of December, 1971, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Action Committee for Economic Growth is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of the Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds thereof, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Action Committee for Economic Growth held on the 10th day of December, 1971:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said Organization this 11th day of December, 1971.

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of Concerned Citizens for a Sound Economy, do hereby certify that the following is a true copy of a resolution adopted at a ~~special~~ regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 15th day of December, 19 71, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Concerned Citizens for a Sound Economy is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Concerned Citizens for a Sound Economy held on the 15th day of December, 1971:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 16th day of December, 19 71

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting Secretary, the undersigned/ of Government Action Committee for Mills in '72 do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 10th day of January, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Government Action Committee for Mills in '72 is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Government Actio Committee for Mills in '72 held on the 10th day of January, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 11th day of January, 1972

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting Secretary, the undersigned
of Mill's Presidential Movement for '72, do hereby certify that the following
is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body
of the said Organization duly held at 1155 15th St., N. W., Washington, D. C.
on the 11th day of January, 19 72, a quorum being present, and
that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of
Mills' Presidential Movement for '72
is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Mills' Presidenti
Movement for '72 held on the 11th day of January, 19 72:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 12th day of January, 19 72

(SEAL)

Terry Shea
acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

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RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting Secretary of Citizens for Rational Spending, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 13th day of January, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Citizens for Rational Spending is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its[2]

Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the Citizens for Rational Spending held on the 13th day of January, 19 72

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 14th day of January, 19 72

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of Fiscal Sanity Committee, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 18th day of January, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Fiscal Sanity Committee is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the Fiscal Sanity Committee held on the 18th day of January, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 19th day of January, 19 72

(SEAL)

Terry Shea
acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting Secretary, the undersigned/ of Committee for National Prosperity, do hereby certify that the following is a true copy of a resolution adopted at a ~~special~~ regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 21st day of January, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Committee for National Prosperity is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Committee for National Prosperity held on the 21st day of January, 19 72:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 24th day of January, 19 72

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned/Acting Secretary of Concerned Voters of America, do hereby certify that the following is a true copy of a resolution adopted at a special ~~regular~~ meeting of the[1] governing Body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 25th day of January, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Concerned Voters of America is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] ~~Committee~~ Concerned Voters of America held on the 25th day of January, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 26th day of January, 1972.

(SEAL)

Terry Shea
acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting Secretary, the undersigned

of American Voters for Mills, do hereby certify that the following

is a true copy of a resolution adopted at a special ~~regular~~ meeting of the[1] governing body

of the said Organization duly held at 1155 15th St., N. W., Washington, D. C.

on the 26th day of January, 1972, a quorum being present, and

that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of

American Voters for Mills

is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] American Voters for Mills held on the 26th day of January, 1972

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of t' said Organization this 27th day of January, 1972.

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of Americans for National Action, do hereby certify that the following is a true copy of a resolution adopted at a special regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 9th day of February, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Americans for National Action is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the Americans for National Action held on the 9th day of February, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of t said Organization this 10th day of February, 19 72

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of Citizens for National Growth and Development, do hereby certify that the following is a true copy of a resolution adopted at a ~~special~~ regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 11th day of February, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Citizens for National Growth and Development is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Citizens for National Growth and Development held on the 11th day of February, 19 72 :

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 11th day of February, 1972

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of National Growth and Development Committee in '72 do hereby certify that the following is a true copy of a resolution adopted at a special ~~regular~~ meeting of the governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 16th day of February, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of National Growth and Development Committee in '72 is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3] _____

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] National Growth and Development Committee in '72 held on the 16th day of February, 19 72:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 17th day of February, 19 72

(SEAL)

Terry Shea acting Secretary.

Received _____

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned/Acting Secretary of Citizens for a Sound Nation in '72, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 22nd day of February, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Citizens for a Sound Nation in '72 is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Citizens for a Sound Nation in '72 held on the 22nd day of February, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 23 day of February, 19 72.

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

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RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned Acting Secretary of Concerned Citizens of America, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 29th day of February, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Concerned Citizens of America is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the Concerned Citizens of America held on the 29th day of February, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 1st day of March, 19 72

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, Acting Secretary of Americans for Economic Development, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th St., N. W., Washington, D. C. on the 3rd day of March, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Americans for Economic Development Committee is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer
Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Americans for Economic Development held on the 3rd day of March, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 1972

(SEAL)

Terry Shea
Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

Commerce Office

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned acting Secretary of Citizens for Good Government, do hereby certify that the following is a true copy of a resolution adopted at a special ~~regular~~ meeting of the[1] governing body of the said Organization duly held at 1155 15th Street N.W. Washington, D.C. on the 3rd day of March, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Citizens for Good Government is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H; Graves, Treasurer Roscoe Egger, Asst. Treasurer
Terry Shea, Acting Secretary

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Citizens for Good Government held on the 3rd day of March, 19 72:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of march, 19 72

(SEAL)

Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

Citizens for Good Govern NO. SIG. REQUIRED 1

The undersigned hereby agrees to each and all of the By-laws, and all of the Rules and Regulations of the NATIO SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirem as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn ag until said checks have been collected; that checks on this bank which are ascertained to be drawn against insuffi funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day follo the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the u signed's(s') account if deposited by the undersigned; and that any item received after this bank's regular closing shall be deemed to have been received on its next business day. Commerce Office

In case the balance of any depositor's account in any month is not compensatory, a reasonable charge may be r for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the previ twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted from depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes becaus insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[illegible] Clerk	[illegible]
Robert N Grumes Jr	Treasurer
Rosa Lee Lyons	Asst. Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N.W., Washington, D.C. 20006

BD 1368(REV11/69) DATE OPENED _____ INTRODUCED BY _____

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, acting the undersigned Secretary of Citizens for Mills, do hereby certify that the following is a true copy of a resolution adopted at a ~~special~~ meeting of the[1] governing body of the said Organization duly held at 1155 15th Street, N.W. Washington D.C. on the 3rd day of March, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Citizens for Mills is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer Roscoe Egger, Asst. Treasurer
Terry Shea, Acting Secretary

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Citizens for M held on the 3rd day of March, 19 72:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 19 72

(SEAL)

Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

Citizens for Mills NO. SIG. REQUIRED 1

The undersigned hereby agrees to each and all of the By-Laws, and all of the Rules and Regulations of the NATIONAL SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirements as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn against until said checks have been collected; that checks on this bank which are ascertained to be drawn against insufficient funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day following the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the undersigned's(s') account if deposited by the undersigned; and that any item received after this bank's regular closing hour shall be deemed to have been received on its next business day.

In case the balance of any depositor's account in any month is not compensating, a reasonable charge may be made for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the previous twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted from the depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes because of insufficient funds to the credit of the depositor's account resulting from deducting such charges.

Commerce Office

SIGNATURE	TITLE
[illegible]	[illegible]
Robert H. Graves	Treasurer
Rosco Eggen	Asst. Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N.W., Washington, D.C. 20006

BD 1368(REV 11/69) DATE OPENED _____ INTRODUCED BY _____

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, acting the undersigned Secretary of Committee to Elect Wilbur Mills, do hereby certify that the following is a true copy of a resolution adopted at a special/regular meeting of the[1] governing body of the said Organization duly held at 1155 15th Street, N.W. Washington, D.C. on the 3rd day of March, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Committee to Elect Wilbur Mills is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer Roscoe Egger, Asst. Treasurer
Terry Shea, Acting Secretary

and countersigned by its

[3] _____

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Committee to Elect Wilbur Mills held on the 3rd day of March, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 1972.

(SEAL)

Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

The undersigned hereby agrees to each and all of the By-Laws, and all of the rules ... SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirem as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn a until said checks have been collected; that checks on this bank which are ascertained to be drawn against ins funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day foll the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the u signed's(s') account if deposited by the undersigned; and that any item received after this bank's regular closing shall be deemed to have been received on its next business day.

Commerce Office

In case the balance of any depositor's account in any month is not co... a reasonable charge may be for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the pe twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted fro depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes beca insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[signature]	Cut. Secretary
Robert N Gomez	Treasurer.
Rosa Eggs	asst. Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, Washington, D.C. 2000[illegible]

BD 1368(REV11/69) DATE OPENED _____ INTRODUCED BY _____

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Commerce Office

RESOLUTION - AUTHORIZATION FOR ORGANIZATION ACCOUNT

NATIONAL SAVINGS AND TRUST COMPANY,
WASHINGTON, D. C.

I, Terry Shea, the undersigned Acting Secretary of Good Government Action Committee, do hereby certify that the following is a true copy of a resolution duly adopted at a special ~~regular~~ meeting of the [1] governing body of the said Organization duly held at 1155 15th Street, N.W./Washington, D. C. on the 3rd day of March, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Good Government Action Committee is authorized and instructed to deposit funds of the Organization in the account with the National Savings and Trust Company of Washington, D. C., in its name, and that said account may be drawn on only by check signed in the name of this Organization by its [2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its [3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the [1] Good Government Action Committee held on the 3rd day of March, 19 72

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 19 72

(SEAL)

Secretary.

Received

1 Insert members, board of directors, or other governing body.
2 Insert title of officers authorized to sign.
3 Insert title of officers authorized to countersign.

110-545-1 | Good Govern't Action Com. | SIGS. REQUIRED 1

The undersigned hereby agrees to each and all of the By-Laws, and all of the Rules and Regulations of the NATIO SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirem as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn a until said checks have been collected; that checks on this bank which are ascertained to be drawn against insuff funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day follo the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the u signed's(s') account if deposited by the undersigned; and that any item received after this bank's regular closing shall be deemed to have been received on its next business day. Georgetown Office

In case the balance of any depositor's account in any month is not compensating, a reasonable charge may be for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the prec twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted fro depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes becau insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[illegible]	[illegible]
Robert K. Gross	Treas.
Rosa Eggs	Asst. Treas.

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N. W., Washington, D 20006

BD 1368(REV11/59) DATE OPENED _____ INTRODUCED BY _____

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned/acting Secretary of Mills in '72 Committee, do hereby certify that the following is a true copy of a resolution adopted at a special regular meeting of the[1] Mills in '72 Committee of the said Organization duly held at 1155 15th Street, N.W. Washington, D.C. on the 3rd day of March, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Mills in '72 Committee is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer Roscee Egger, Asst. Treasurer
Terry Shea, Acting Secretary

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Mills in '72 Com held on the 3rd day of March, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 8th day of March, 1972.

(SEAL)

Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

Mills in '72 Committee

REQUIRED

The undersigned hereby agrees to each and all of the By-Laws, and all of the Rules and Regulations of the NATI SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and require as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn until said checks have been collected; that checks on this bank which are ascertained to be drawn against insu funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day fo the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the signed's(s') account if deposited by the undersigned; and that any item received after this bank's regular closi shall be deemed to have been received on its next business day.

In case the balance of any depositor's account in any month is not compensatory, a reasonable charge may b for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the pr twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted fr depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes bec insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[illegible]	[illegible]
Robert V. Graves	Treasurer
Rosie Eggs	Asst. Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N.W., Washington D.C. 20006

BD 1368(REV11/69) DATE OPENED _____ INTRODUCED BY _____

RESOLUTION - AUTHORIZATION FOR ORGANIZATION ACCOUNT

NATIONAL SAVINGS AND TRUST COMPANY,
WASHINGTON, D. C.

I, Terry Shea, the undersigned Acting Secretary of Sound Economic Growth Committee, do hereby certify that the following is a true copy of a resolution duly adopted at a special ~~regular~~ meeting of the [1] governing body of the said Organization duly held at 1155 15th Street, N.W., Washington, D. C. on the 3rd day of March, 19 72, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Sound Economic Growth Committee is authorized and instructed to deposit funds of the Organization in the account with the National Savings and Trust Company of Washington, D. C., in its name, and that said account may be drawn on only by check signed in the name of this Organization by its [2] Robert H. Graves, Treasurer

Terry Shea, Acting Secretary; Roscoe Egger, Asst. Treasurer

and countersigned by its [3] .....

.....

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrumen... executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the [1] Sound Economic Growth Committee held on the 3rd day of March, 19 72

.....

.....

.....

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 19 72

(SEAL)

Terry Shea
Secretary.

Received .....

.....

1 Insert members, board of directors, or other governing body.
2 Insert title of officers authorized to sign.
3 Insert title of officers authorized to countersign.

110-55247 Sound Economic Growth Committee

The undersigned hereby agrees to each and all of the By-Laws, and all of the Rules and Regulations of the NATIO SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirem as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn ag until said checks have been collected; that checks on this bank which are ascertained to be drawn against insuffi funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day follo the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the s signed s(s') account if deposited by the undersigned; and that any item received after this bank's regular closing shall be deemed to have been received on its next business day.

In case the balance of any depositor's account in any month is not compensating [illegible] Commerce Office for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the prec twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted from depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes becau insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[illegible] Asst	Asst. Tr.
Robert H. Grower	Treasurer
Karen Eggen Asst	Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N.W., Washington, D. 20006

BD 1368(REV11/69) DATE OPENED _____ INTRODUCED BY _____

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, acting Secretary, the undersigned of Victory in '72 Committee, do hereby certify that the following is a true copy of a resolution adopted at a special meeting of the[1] governing body of the said Organization duly held at 1155 15th Street, N.W. Washington, D.C. on the 3rd day of March, 1972, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Victory in '72 Committee, is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer Roscoe Egger, Asst. Treasurer

Terry Shea, Acting Secretary

and countersigned by its

[3]

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Vicotry in '72 Co held on the 3rd day of March, 1972:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 1972

(SEAL)

Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

Victory in '72 Committee NO SIG. REQUIRED 1

The undersigned hereby agrees to each and all of the By-Laws, and all of the Rules and Regulations of the NATI SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirem as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn until said checks have been collected; that checks on this bank which are ascertained to be drawn against in funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day fol the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the signed's(s') account if deposited by the undersigned; and that any item received after this bank's regular closin shall be deemed to have been received on its next business day.

Commerce Office

In case the balance of any depositor's account in any month is not compensatory, a reasonable charge may be for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the pre twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted fr depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes beca insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[illegible] Asst.	[illegible]
Robert N. Grumer	Treasurer
Rosser Pegger asst.	Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N.W., Washington, D.C. 2006

BD 1368(REV11/69) DATE OPENED _____ INTRODUCED BY _____

RESOLUTION — AUTHORIZATION TO OPEN ORGANIZATION ACCOUNT

National Savings and Trust Company,
Washington, D. C.

I, Terry Shea, the undersigned acting Secretary of Wilbur Mills for President Committee, do hereby certify that the following is a true copy of a resolution adopted at a special meeting of the governing body of the said Organization duly held at 1155 15rh Street, N.W. Washington D.C. on the ____ day of ____, 19__, a quorum being present, and that the said resolution is in full force and effect at this date:

"RESOLVED: That Robert H. Graves, the Treasurer of Wilbur Mills for President Committee is authorized and instructed to open a deposit account for and in the name of this Organization with the National Savings and Trust Company of Washington, D. C., to deposit therein funds of the Organization and that said account may be drawn on only by check signed in the name of this Organization by its

[2] Robert H. Graves, Treasurer, Roscoe Egger, Asst. Treasurer
Terry Shea, Acting Secretary

and countersigned by its

[3] _____

until further notice in writing to said National Savings and Trust Company, and the said National Savings and Trust Company shall not be required, in any case, to make inquiry respecting the application of any instrument executed in virtue of this resolution or of the proceeds therefrom, nor be under any obligation to see to the application of such instrument or proceeds."

The above resolution is in accord with the By-Laws of this Organization.

The following are the officers of this Organization, elected at a meeting of the[1] Wilbur Mills for President Committee held on the 3rd day of March, 19 72:

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the said Organization this 6th day of March, 19 72.

(SEAL)

Acting Secretary.

Received

[1] Insert members, board of directors, or other governing body.
[2] Insert title of officers authorized to sign.
[3] Insert title of officers authorized to countersign.

110-569-1 | Draft Mills for Pres. Comm. SIG. REQUIRED 1

The undersigned hereby agrees to each and all of the By-Laws, and all of the Rules and Regulations of the NATIO SAVINGS AND TRUST COMPANY, and promises to abide by and conform to all their conditions and requirem as well as any amendment hereafter made thereto.

The undersigned hereby agree(s) that deposits of checks on other banks, though credited, cannot be drawn ag until said checks have been collected; that checks on this bank which are ascertained to be drawn against in funds or otherwise not good or payable may, at any time prior to midnight on this bank's next business day follo the day of receipt, be dishonored or refused payment if drawn by the undersigned or be charged back to the u signed's(s') account if deposited by the undersigned; and that any item received after this bank's regular closing shall be deemed to have been received on its next business day. Commerce Office

In case the balance of any depositor's account in any month is not compensatory, a reasonable charge may be for activity, return of unpaid items or other service; if the account becomes inactive (no transactions for the prec twelve months) a reasonable monthly maintenance charge may be made. Such charges may be deducted from depositor's account and the Company shall have the right to return unpaid any checks, drafts or notes becau insufficient funds to the credit of the depositor's account resulting from deducting such charges.

SIGNATURE	TITLE
[signature]	[illegible] Secretary
Robert H. Graves	Treasurer
Rosine Coffey	Asst. Treasurer

ADDRESS FOR STATEMENT 10th Floor, 1801 K Street, N. W., Washington, D 2000

BD 1368(REV11/69) DATE OPENED _____ INTRODUCED BY _____

SAM J. ERVIN, JR., N.C., CHAIRMAN
HOWARD N. BAKER, JR., TENN., VICE CHAIRMAN
HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
JOSEPH M. MONTOYA, N. MEX.
SAMUEL DASH
CHIEF COUNSEL AND STAFF DIRECTOR
FRED D. THOMPSON
MINORITY COUNSEL
RUFUS L. EDMISTEN
DEPUTY COUNSEL

United States Senate
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
(PURSUANT TO S. RES. 60, 93D CONGRESS)
WASHINGTON, D.C. 20510

MEMORANDUM

TO: Donald G. Sanders

FROM: Brenda Robeson

DATE: June 26, 1974

SUBJECT: Milledge A. Hart, III and Mervin L. Stauffer Contributions to Mills Presidential Campaign Committees

On March 30, 1972, Milledge A. Hart, III and Mervin L. Stauffer, both of Dallas, Texas, each contributed to seventeen different Mills Presidential Campaign Committees in Washington, D. C. Terry Shea was acting Secretary of all the Committees. With one exception, each contribution was in the amount of $3,000, making a total of $100,000. The Draft Mills for President Committee received, through transfers, like amounts from the Committees to which Hart and Stauffer contributed in early April of 1972. (See: Robeson Memorandum to Sanders, dated June 26, 1974, re: Cash Receipts of the Draft Mills for President Committee.)

NAME OF COMMITTEE	HART CONTRIBUTION	STAUFFER CONTRIBUTION
Action Committee for Economic Growth	$3,000	$3,000
Americans for Economic Development Committee	$3,000	$3,000
Americans for National Action Committee	$3,000	$3,000
American Voters for Mills Committee	$3,000	$3,000

NAME OF COMMITTEE	HART CONTRIBUTION	STAUFFER CONTRIBUTION
Citizens for a Sound Nation in '72 Committee	$3,000	$3,000
Citizens for National Growth and Development Committee	$3,000	$3,000
Citizens for Rational Spending Committee	$3,000	$3,000
Committee for National Prosperity	$3,000	$3,000
Concerned Citizens for a Sound Economy Committee	$3,000	$1,000
Concerned Citizens of America Committee	$3,000	$3,000
Concerned Voters of America Committee	$3,000	$3,000
Fiscal Sanity Committee	$3,000	$3,000
Government Action Committee for Mills in '72	$3,000	$3,000
Mills Presidential Movement for '72 Committee	$3,000	$3,000
National Growth and Development Committee in '72	$3,000	$3,000
National Movement for Wilbur Mills Committee	$3,000	$3,000
Students for Better Government Committee	$3,000	$3,000

MILLS EXHIBIT NO. 2

FOR IMMEDIATE RELEASE April 1, 1974

WASHINGTON STRAIGHT TALK

Rep. Wilbur Mills (D - Arkansas), Chairman of the House Ways and Means Committee and one of the most influential House members, said today there are now enough votes in the Chamber to impeach President Nixon.

Mills also said in an interview with NPACT correspondent Paul Duke on the PBS series, "Washington Straight Talk," he believes a majority of the Senate is likewise ready to convict the President of impeachment, but that the two-thirds needed for actual conviction is lacking.

"The impeachment proceedings, if they are drawn out over a period of time, as I am sure they will be, will present the most disruptive and divisive force that we've had in the United States since the civil war."

Mills is Vice Chairman of the Joint Committee set up to investigate the President's taxes. Of the Committee's report, due this week, he said: "There are people who feel that the President is being made a scapegoat, there are people who are still loyal to him in the public, and that's why I've said in our little job if we find that he owes one dollar that will offend some people. If we find that he owes $100,000, that'll offend a lot more because they think he owes more than that, so there's no way we can win on the Joint Committee on this issue. . ."

"Washington Straight Talk" is a production of NPACT, the National Public Affairs Center for Television and is carried on the Public Broadcasting Service at 10 p. m. Eastern time April 1, 1974, to be seen locally on Channel 26/WETA at 8 p. m. April 1, and repeated at 10:30 p.m. Tuesday, April 2. (Consult local listings in other areas.)

Contact: Elvera Ruby (484-1500) office; (265-4344) home

* * * * * * *

So I say, they didn't get what they wanted when they were before the committee.

DUKE: Another one of the Watergate-related issues involves the contributions of the milk industry...

REPRESENTATIVE MILLS: That's true.

DUKE: ...and the milk industry apparently contributed substantially to your presidential campaign...

REPRESENTATIVE MILLS: They did. Some forty-five thousand dollars, as I remember, from all of the various cooperatives that gave money to the presidential campaign...

DUKE: Why did they give so much to your campaign?

REPRESENTATIVE MILLS: This was all listed and reported to the General Accounting Office. Now there were some moneys that apparently, according to the Wright report, that were given long before I became a candidate, either to promote me to be a candidate or for some other reason, none of which I had any knowledge. And if I'd had any knowledge, certainly it would have not been received. But I was unaware of what was going on in the so-called Draft Mills' period. I do assume the responsibility for what went on after I appointed a campaign manager and said that I would go out and try to get uncommitted, unelected delegates to the convention.

The milk people have always been friendly with me in my state. I've got a number of them in three counties in my state who operate these Grade A dairies. They've had a hard time of it in the past. The feed they buy for their cows has gone up much faster, percentagewise, than has their milk gone up. I've been aware of their problems; I've talked to them. They've brought in as many as fifty dairy farmers at a time to see me either in Arkansas or here so that they could discuss the problems. The President is reported to have said that he finally did what he did in '71 as a result of pressure brought to bear on him by a number of us who were Democrats, Mansfield and Albert included. I never talked to the President about this. I did talk to Shultz generally about it. I met in the Speaker's Office one time with Clark MacGregor when he was at the White House. But the Speaker and I didn't do the talking. The people that we had asked Clark to come to hear did the talking. Namely, the dairy farmers themselves were describing to him their problems and why they felt they could not remain in the business of producing milk if there was not some better price provided them. This was the substance of the meeting. And I don't consider that pressure, by any means, because I didn't twist somebody's arm and tell somebody that he had to do this, or else. I've never done that.

* * * * * * *

MILLS EXHIBIT NO. 3

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

DM00004G A051972 003

REGISTRATION FORM AND STATEMENT OF ORGANIZATION FOR A COMMITTEE

1972 MAY 19 PM 4 14

SUPPORTING ANY CANDIDATE(S) FOR THE OFFICE OF PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES AND ANTICIPATING CONTRIBUTIONS OR EXPENDITURES IN EXCESS OF $1,000 IN ANY CALENDAR YEAR

REQUIREMENTS FOR REGISTRATION OF POLITICAL COMMITTEES

(In accordance with the provisions of the Federal Election Campaign Act of 1971, P.L. 92-225)

SEE APPROPRIATE SUPERVISORY OFFICER'S MANUAL FOR ADDITIONAL REGULATIONS AND INSTRUCTIONS

A. The treasurer of each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding $1,000 any portion of which will be expended for the purpose of influencing the nomination or election of candidates for the office of President or Vice President shall file with the Comptroller General of the United States a Registration Form and Statement of Organization, within 10 days after its organization, or, if later, 10 days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of $1,000 any portion of which will be expended for the purpose of influencing the nomination or election of candidates for the office of President or Vice President. Each such committee in existence on April 7, 1972 shall file a Registration Form and Statement of Organization with the Comptroller General on or before April 17, 1972. Note: If the committee also supports a candidate for the U.S. Senate, a similar statement must be filed with the Secretary of the Senate, and if the committee supports a candidate for the U.S. House of Representatives a similar statement must be filed with the Clerk of the House of Representatives.

B. A copy of this statement shall be filed with the Secretary of State (or, if there is no Office of Secretary of State, the equivalent State officer) of the appropriate State.

C. A copy of this statement shall be preserved by the treasurer of the political committee for a period of not less than four (4) years.

D. Any change or correction of information previously submitted in a Registration Form and Statement of Organization shall be reported to the Comptroller General within ten (10) days following the change or correction. Such amendments to the statement shall contain the date, identity of the committee, the changed or corrected information appropriately identified, and shall be verified by the oath or affirmation of the person filing such information, taken before any officer authorized to administer the oaths.

E. Any committee which, after having filed one or more Registration Form and Statement of Organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding $1,000 shall so notify the Comptroller General. Such notification shall be verified by the oath or affirmation of the person filing it, taken before any officer authorized to administer the oaths, and such notification shall include a statement as to the disposition of residual funds if the committee is disbanding.

1. Full name of committee: MILLS FOR PRESIDENT COMMITTEE

Mailing address and ZIP code: 1010 16th Street,N.W.,Washington, D.C. 20036

Date of this registration: May 19, 1972

2. Affiliated or connected organizations:

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship
NONE	N/A	N/A

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is continued on separate page(s).

3. Area, Scope and Jurisdiction of the Committee:

(a) Will this committee operate in more than one State? yes

(b) Will it operate on a statewide basis in one State? no

(c) Will it primarily support candidates seeking State or local office? no

(d) Will it support a candidate for the office of President or Vice President in an aggregate amount in excess of $1,000 during the calendar year? yes

MILLS FOR PRESIDENT COMMITTEE
(Full Name of Committee)

4. (a) If the committee is supporting individual candidates for the office of President or Vice President, list each candidate by name, address, office sought, and party affiliation:

Full names of candidates	Mailing address and ZIP code	State and Congressional District	Party
Wilbur D. Mills (Candidate for Democratic nomination for the Presidency) *	Suite 1136 Longworth House Office Bldg. Washington, D.C. 20015	Arkansas Second Congressional District	Democratic

(b) List by name, address, office sought, and party affiliation, any candidate for other Federal office that this committee is supporting:

Full names of candidates	Mailing address and ZIP code	Office sought	Party
NONE *	N/A	N/A	N/A

(c) List by name, address, office sought, and party affiliation, any candidate for any other public office that this committee is supporting:

Full names of candidates	Mailing address and ZIP code	Office sought	Party
NONE *	N/A	N/A	N/A

5. If this committee is supporting the entire ticket of a party, give name of party: .....

6. Identify by name, address and position, the committee's custodian of books and accounts:

Full name	Mailing address and ZIP code	Committee title or position
James A. Rohan *	4000 Tunlaw Rd.,N.W. Washington, D.C. 20007	Treasurer

7. List by name, address and position, other principal officers of the committee, including officers and members of the finance committee, if any:

Full name	Mailing address and ZIP code	Committee title or position
Joe P. Johnson *	907 6th St., S.W. Apt., 515C Washington, D.C.	Chairman

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is contained on separate page(s).

COPY

8. Does this committee plan to stay in existence beyond the current calendar year? no If so how long? _____

9. In the event of dissolution, what disposition will be made of residual funds? any residual funds will be transfered to political committees supporting the candidacy of Wilbur D. Mills For President.

10. List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code
National Savings & Trust Company	17th & K Streets, N.W. Washington, D.C. 20036
*	

11. List all reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports:

Report title	Dates required to be filed	Name and position of recipient	Mailing address and ZIP code
None except copies of all forms filed with the Office of Federal Elections are required to be filed with Martin K. Schaller, Executive Secretary, District of Columbia, at Room 528, District Building, Washington, D.C.			
*			

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is continued on separate page(s).

State of [illegible]

County of [illegible] ss.

I, _____ (Full Name of Treasurer of Political Committee), being duly sworn, depose (affirm) and say that the information in this Registration Form and Statement of Organization is complete, true, and correct.

_____ (Signature of Treasurer of Political Committee)

Subscribed and sworn to (affirmed) before me this [illegible] day of _____, A.D. 19__.

_____ (Notary Public)

[SEAL] My commission expires _____, 19__.

Return completed form and attachments to:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, NW.
Washington, D.C. 20548

COPY

MILLS EXHIBIT NO. 4

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICE OF FEDERAL ELECTIONS

June 26, 1974

Mr. Donald Sanders
Assistant Chief Counsel, Minority
Senate Select Committee on
Presidential Campaign Activities

Dear Mr. Sanders:

This will confirm the information I gave you in our telephone conversation concerning the Mills for President Committee.

The correct total amount of receipts for the Mills for President Committee during the period of April 7, 1972, to January 5, 1973, as shown on the summary sheet of each report filed by the Committee for that period, is $266,408.52.

The total receipts of this Committee is incorrectly shown on page 37 of the Office of Federal Elections' "Report of 1972 Presidential Campaign Receipts and Expenditures" as $371,719.00. The reason for the error is that several amended reports were improperly keypunched as original reports, thus inflating the total receipts figure by slightly more than $100,000.00.

We regret the error. As we indicated in the introduction to the Report, it was impossible to insure complete accuracy because of the quantity and irregular quality of the source documents and the volume of data in the Report. Accordingly, we cautioned the reader that the data in the Report should only be utilized as a guide and summary to be verified, where necessary, from the source documents.

If any further information is needed, please let me know.

Sincerely yours,

Robert L. Higgins

Robert L. Higgins
Counsel

Rec'd 6/24/74 Dm

MILLS EXHIBIT NO. 5

WALKER & ASSOCIATES, INC.

DELOSS WALKER
President

April 4, 1974

Mr. Donald Sanders
Deputy, Minority Council
Senate Watergate Committee
G-308 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Sanders:

I am enclosing my files on the order for the materials pertaining to AMPI. I do not recall exactly who gave us the order since it was in the summer of 1971 and we verbally accept orders from organizations we feel are capable of paying without contract. Therefore, there was no contractual document.

I would assume the person authorizing the material was David Parr, since the statement was sent to his attention. However, I do not recall the specific instructions since we handle 200 to 250 orders per month and that was over three years ago.

The statement you read me by the Little Rock Council was correct. Due to the short period of time from date of request, we had not found the materials the Council requested because they were stored away from my present operation. Because of a busy schedule, we did not realize the significance of immediate response at that time. The gross income to my agency was $1,436.80 for this transaction. The invoices attached show the companies who produced the materials.

If I can be of any further assistance, please feel free to contact me.

Sincerely yours,

Deloss Walker

DW:ecs

Enclosures

Recd 4/9/74 DR

2365 NONCONNAH BOULEVARD • MEMPHIS, TENNESSEE 38101 • ADVERTISING • MARKETING • PUBLIC RELATIONS • (901) 396-7111


FOR PRESIDENT

Associated Milk Producers Assoc.

Billing June 30, 1971

Job # 1940 Bumper Strip		
Art	89.73	
Typesetting-House of Typography	6.23	
Photostats-Aero Blueprint	2.75	
Printing-Advertisers Products	986.34	1,093.15

Billing July 30, 1971

Job #1940 Bumper Strip		
Printing-Advertisers Products	3,492.38	
Printing-Central Printing	4,706.00	8,198.38

Total Billing for June & July 1971 9,291.53

WALKER & ASSOCIATES, INC.

703 DUPONT BUILDING • MEMPHIS, TENNESSEE 38103

TO: Associated Milk Producers, Inc.
Post Parking Mail
Little Rock, Arkansas
Attention Mr. Dave Cook

STATEMENT:

DATE: July 30, 1971

ITEM	AMOUNT	TOTAL
miles		
Balance forward		1,083 15
Services Rendered-July		8,198 00
		9,291 15

ADVERTISERS PRODUCTS COMPANY, INC.
ADVERTISING SPECIALTIES—EXECUTIVE GIFTS—PROMOTIONAL IDEAS
2600 POPLAR • SUITE 105 • MEMPHIS, TENN. 38112

Order number: 17486 Invoice number: 29285

Date received: 7-1-71 Invoice date: 7/22/71

Sold to
Walker & Associates
703 Dupont Bldg.
Memphis, Tenn. 38103

Customer's order: 2189 Terms: 1% 10 net 30

Date wanted by cust'r. SAP Date shipped: 7/15/71

Ship 10,000 above address,
Ship ~~XX~~ 40,000 to
Mr. Bob Justice
Assoc. Milk Producers Inc.
6423 Forbing Road
Little Rock, Ark.

Ship via: Best way

Sold by: Gallagher

Ship to

ORDERED	SHIPPED	ITEM NO.	DESCRIPTION	PRICE	AMOUNT
50,000	50,000	15	Bumper Strips Vinyl 2 color Red & Blue		$3,350.00
			less 15% Agency comm.		- 502.50
			Be sure and use union bug. 2847.50		2,847.50
			1½% INTEREST PER MONTH CHARGED ON ALL PAST DUE ACCOUNTS · EFFECTIVE RATE OF 18% PER YEAR. 15% 502.50 3350 142.	Sales or use tax	142.38
			5493.38	Federal tax	
				Shipping charges	
				TOTAL ▶	$2,989.88

Milly #1944

Since careful inspection at the factory often results in some imprinted pieces being discarded, it is understood that an underrun or overrun of not more than 5%, to be billed pro-rata, is acceptable by the customer. Quoted prices do not include shipping charges or any applicable taxes. All claims must be made within 10 days after receipt of shipment. No returns can be made without our permission.

Walker and Associates, Inc. 7-21-71

703 Dupont Bldg. Memphis, Tennessee 38103

Quantity	Description	Pattern chg.	Operation chg.
50,000	bumper stickers .08¢		$4,000.00

4000 ⁰⁰
706.00
+17.65%
4,706.⁰⁰

ASSOC. MILK PRODUCERS

WALKER & ASSOCIATES, INC.

703 DUPONT BUILDING • MEMPHIS, TENNESSEE 38103

TO Associated Milk Producers

6123 Forbing Road

Little Rock, Arkansas

Attention Mr. Dean Peck

STATEMENT:

DATE: June 30, 1971

ITEM	AMOUNT	TOTAL
Services Rendered		1,093 15

12083

WALKER & ASSOCIATES, INC.
703 DUPONT BLDG • MEMPHIS, TENN 38103

ART STATEMENT

Wilbur Mills

DATE: 4-30-71

JOB NUMBER	DESCRIPTION	CHARGES
#1940	Bumper Strip	$84.50
	Tax	4.23
		89.73

HOUSE OF
TYPOGRAPHY, INC.
359 North Second Street
MEMPHIS TENNESSEE 38105
PHONE (901) 525-5331

INVOICE

17601

SOLD TO: WALKER & ASSOCIATES
DUPONT BUILDING
MEMPHIS, TENNESSEE

8640 11 51

PURCHASE ORDER NO. 1990 JOB NO. 1940

DATE	DESCRIPTION		CHARGES	AMOUNT
4-26-71	MILLS FOR PRESIDENT	1	5.10	
	SALES TAX	4	.23	
			5.33	5.33

5.10
+17.65% .90
6.00
.23 tax
6.23

Mills
#1940

TERMS: NET 10TH OF MONTH FOLLOWING PURCHASE

Bill for President

12085



153 MONROE AVE. • MEMPHIS, TENNESSEE 38103 • 525-7344

aero blueprint & supply co. inc.

BLUE PRINTS • PHOTOSTAT PRINTS • OFFSET PRINTS • ART SUPPLIES
ARCHITECTS & ENGINEER SUPPLIES • BLUE LINE • QUICK COPIES

SOLD TO Wheeler & Assoc

ADDRESS

BLUE LINE	PHOTOSTAT PRINT	BLUE PRINT	YOUR ORDER NUMBER P174 / DRAWING NUMBER OR NAME	SIZE	DATE 4/23/71 / SQ. FEET	AMOUNT
	1		DP 8x10			200
	1		Spec			25
						225
				Tax		10
						235

2.25
+17.65% .40
2.65
.10 tax
2.75

2

+ 1740

No. 4336

RECEIVED

33-650 O - 74 - 24 (Book 35)

12087

INVOICE

ADVERTISERS PRODUCTS COMPANY, INC.
ADVERTISING SPECIALTIES – EXECUTIVE GIFTS – PROMOTIONAL IDEAS
2600 POPLAR • SUITE 105 • MEMPHIS, TENN. 38112

Order number: 17220 Invoice number: 29007

Date received: 4-28-71 Invoice date: 5/20/71

Sold to: Walker & Associates
703 Dupont Bldg.
Memphis, Tenn. 38103

Customer's order: 2093 Terms: 1%/10-30Net

Date wanted by cust'r: ASAP Date shipped: 5/14

Ship via: Best Way

Ship to: Above address

Sold by: Gallagher

10,000	10,000	15	Vinyl Bumper strips 2 color Red & Blue as per color swatches. Be sure and use union bug. Less 15% Agency Comm.	$950.00 142.50 $807.50
			Sales or use tax Federal tax Shipping charges	36.34
			TOTAL ▶	$843.84

1½% INTEREST PER MONTH CHARGED ON ALL PAST DUE ACCOUNTS . EFFECTIVE RATE OF 18% PER YEAR.

+17.65%

807.50
142.50
950.00
36.34
986.34

Since careful inspection at the factory often results in some imprinted pieces being discarded, it is understood that an underrun or overrun of not more than 5%, to be billed pro-rata, is acceptable by the customer. Quoted prices do not include shipping charges or any applicable taxes. All claims must be made within 10 days after receipt of shipment. No returns can be made without our permission.

MILLS EXHIBIT NO. 6

Interoffice Correspondence 3M

Subject

June 19, 1972

CONFIDENTIAL

TO: D. O. OPSTAD

FROM: J. D. SCHALLER

I received a call from the "Mills for President" chairman (Charles Johnson) who says that the Congressman asked him to personally call and see if we would be willing to help him financially. They want the money now because they intend to put together a sizable fund for Wilbur's use between now and during the Democratic National Convention. You may have also received a call because both of our names were specifically on Mills' list. I would venture to say that this request is a little difficult to turn down. I have details in terms of how the check is to be made out and where mailed, if we decide to do something.

JDS/a

Mr. Fisher
Mr. Bennett. This request for $ was inevitable.

Wilbur Mills would be one of the most acceptable of the candidates — he would get more consideration, in my + other opinion, for the V. Pres. slot.) In any case, even as Chairman of W+M. he's a key man. I'm not in favor of assisting any other Dems. candidate at this time, but believe we should consider here. $1000 - 2000 should be the amount — + can help. Let me have your thots

DOO.

McGovern Campaign

FRIDAY, OCTOBER 5, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 10:20 a.m., in room G-334, Dirksen Senate Office Building.

Present: Senator Howard H. Baker, Jr.

Also present: Barry Schochet, majority counsel; David M. Dorsen, assistant chief counsel; Donald G. Sanders, deputy minority counsel; Michael J. Madigan, assistant minority counsel; and Robert Costa, minority investigator.

Senator BAKER. Would you hold up your right hand, please?

Do you solemnly swear the testimony you are about to give in this case will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOTT. I do.

Senator BAKER. You may be seated. And, if there is no objection on the part of the witness, we will ask the staff to proceed with the interview. And, if any issue or point arises in connection with the interview, I would be glad to return.

Mr. SANDERS. May we establish for the record, Senator, that this is an executive meeting of the committee and that the customary injunctions of secrecy apply to the meeting with Mr. Mott and the young ladies accompanying him.

Senator BAKER. And that we will deliver a copy of the Rules of Procedure of the committee with special attention to those sections dealing with the nature of taking proof in executive session and enjoining the witnesses and those present that such information is to remain inviolate and secret except for the purposes of this interview.

Mr. MADIGAN. Mr. Mott, why don't we begin by you telling us what your present occupation is.

STATEMENT OF STEWART MOTT, ACCOMPANIED BY DIANE ABELMAN AND ANNE ZILL

Mr. MOTT. I am self-employed. I don't have a job title.

Mr. MADIGAN. And what do you do in your self-employment?

Mr. MOTT. I manage funds for my own account. I am active in philanthropy and in politics.

Mr. MADIGAN. When you say you manage funds, what do you mean by that?

Mr. MOTT. I have an estate of $5 million or thereabouts, and I invest that for my own account, and otherwise manage funds.

Mr. MADIGAN. Do you operate any offices or maintain any offices?

Mr. MOTT. Yes, 515 Madison Avenue, New York City.

Mr. MADIGAN. And do you have a staff at that office?

Mr. MOTT. Yes, I have a staff of five people at that office.

Mr. MADIGAN. That is not including yourself?

Mr. MOTT. Right.

Mr. MADIGAN. And what are the duties of the people that comprise that five-member staff in New York?

Mr. MOTT. You are talking about financial management staff now. And the duties include three people who are portfolio analysts and one who is an accountant, tax expert, and one who is a bookkeeper, and a general secretary.

Mr. MADIGAN. You say this is the fund, financial fund staff?

Mr. MOTT. Yes.

Mr. MADIGAN. Do you have some other staff?

Mr. MOTT. Yes, I do.

Mr. MADIGAN. And what is that?

Mr. MOTT. At a different location, 800 Park Avenue, which is also my residence, where I have a staff which consists of Diane Abelman, who is here, and is administrative assistant, who functions partly in secretarial capacity and partly in substantive work. And then I have a household and gardening staff of another three or four people.

Mr. MADIGAN. Is this Park Avenue staff an actual office setup there?

Mr. MOTT. Well, it is a bona fide office. It is a portion of my apartment that is converted for my office use, plus—I shouldn't omit one additional staff person, Anne Zill, who lives here in Washington. And my Washington office functions out of her residence for the time being.

Mr. MADIGAN. And for what length of time have you had these offices that you just described?

Mr. MOTT. The first at 515 Madison Avenue I have had for about 7 years. And the office at 800 Park Avenue also about 7 years. And the Washington office for about 2 months.

Mr. MADIGAN. And all these employees are salaried employees that are paid by you, is that right?

Mr. MOTT. Right.

Mr. MADIGAN. And they have been for these 7 years?

Mr. MOTT. Oh, not all of them have been on the staff for 7 years

Mr. MADIGAN. I mean, you have had a salaried staff for 7 years?

Mr. MOTT. Yes.

Mr. MADIGAN. Am I correct in assuming that the Madison Avenue staff is engaged strictly in managing your funds, is that accurate, your investments?

Mr. MOTT. Well, that is the principal occupation of those people. And they also manage the funds of the foundation which I set up some years ago. And they advise in a part-time way the other members of my family who also rely on their advice and judgment. But their principal occupation is in the management of my funds.

Mr. MADIGAN. And that has been the case since you set up those offices?

Mr. SCHOCHET. May I interrupt for a moment?

I would like to, for the record, show the presence of our assistant chief counsel, David Dorsen, who has just entered the room.

Mr. MADIGAN. I take it, then, that 90 percent or so of their time would be spent managing your funds, is that a fair statement?

Mr. MOTT. That is right.

Mr. MADIGAN. And this foundation you say you set up, how long ago did you set that up?

Mr. MOTT. I think it was 1965. The name of it is Spectemur Agendo.

Mr. MADIGAN. And what is the nature of the operation of that foundation?

Mr. MOTT. Well, I set it up prior to the Tax Reform Act of 1969. And, at that time, that is to be during the roughly 4-year interval before the Tax Reform Act, it was to be a joint family enterprise in which my sibling sisters and I would participate jointly in our philanthropic activities. After the 1969 act we concluded that it was rather too cumbersome to use as a vehicle for philanthropy, so I have more or less put it on the shelf, kept it alive as a corporate shell, and have done most of any philanthropy directly rather than through the mechanism of the foundation. So today it is inactive, it exists as a corporate entity.

Mr. MADIGAN. And it has been largely inactive since 1969, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. And prior to 1969 it was engaged in philanthropic activities, exclusively, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. Now, how large a suite of offices do you have at this Madison Avenue office?

Mr. MOTT. 2,000 square feet or thereabouts.

Mr. MADIGAN. Now, you say this is the office that has the five-member staff, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. And you have maintained that staff for a period of 7 years, is that correct?

Mr. MOTT. No. Actually one person came into my employ about 7 years ago, and has stayed continuously. And the others have been added on at different intervals.

Mr. MADIGAN. What I am getting at, it has not had, then, a five-member staff for the past 7 years?

Mr. MOTT. That is right.

Mr. MADIGAN. During, say, the years beginning 1970 through 1972, would it have been a five-member staff at that time?

Mr. MOTT. I think that the staff was three and a half people in 1970 and 1971. And then in 1972, we took another person half-time. And then this year that half-time person became full-time. And so I now count—well, call it four and a half to five, because the bookkeeper and the accountant are not full-time employees, three-fifths time.

Mr. MADIGAN. And the bookkeeper and the accountant do exclusively bookkeeping and accounting work respectively, is that right?

Mr. MOTT. As far as I know.

Mr. MADIGAN. So from 1970 to 1972 you had maybe two or three people working there?

Mr. MOTT. There was a secretary, there was a key financial portfolio analyst, and assistant.

Mr. MADIGAN. And up until 2 months ago you had no Washington office whatsoever?

Mr. MOTT. That is right.

Mr. MADIGAN. And did you rent or maintain any kind of facilities down here of any type prior to the 2 months the young lady has been there?

Mr. MOTT. I have had an apartment at 3517 O Street since, I guess it's April.

Mr. MADIGAN. Is this just a personal apartment?

Mr. MOTT. Yes.

Mr. MADIGAN. It is not related to business?

Mr. MOTT. No.

Mr. MADIGAN. You say in addition to your philanthropic activities—in that respect, am I correct that you estimated the amount of your assets to be around $5 million, is that right?

Mr. MOTT. More or less.

Mr. MADIGAN. That is a ball-park figure, no?

Mr. MOTT. Yes.

Mr. MADIGAN. In addition to the philanthropic activities you say you were engaged in some political activities?

Mr. MOTT. Right.

Mr. MADIGAN. And when did you begin to engage in political activities, all your life, or most recently?

Mr. MOTT. In a professional kind of way, and with more full-time interest since 1967.

Mr. MADIGAN. What are your present political activities?

Mr. MOTT. Incidentally, so far as the use of that office is concerned, for the record, the extra space in those quarters at 515 Madison Avenue, that has been used from time to time for political activities. We have a couple of spare rooms, and at various times the spare rooms have been used by people who come in as volunteers to work for one campaign or another, and they have used our facilities. Also, in connection with a campaign year the same staff that serves me in my financial activities serves also to do, obviously, the bookkeeping and accounting activities.

And, particularly last year during the midmonths of the campaign, roughly from April through November, the office was a sub-office of the McGovern for President campaign. And John Hodgkin was assistant treasurer, I think his title was, or something like that, of the McGovern campaign, which enabled him to sign documents and handle those and cash collection, and so forth, on behalf of the campaign, as well as functioning—it was a supplemental activity for him above and beyond his work for me.

Mr. MADIGAN. And Mr. Hodgkin was one of these five people you are talking about?

Mr. MOTT. Yes, he is the accountant and tax expert.

Mr. MADIGAN. And you say he had a position with the McGovern campaign?

Mr. MOTT. I think it was assistant treasurer or something like that. It was not a paid position.

Mr. MADIGAN. You say you began becoming active in politics around 1967, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. And I believe I asked you in the last question what was your present political activity, and I don't believe you answered that yet.

Mr. MOTT. By present, do you mean in the last month or so?

Mr. MADIGAN. When you described your duties and what you were doing with your hours, you said you were engaged in philanthropic activities and political activities, and I would like to know what the political activities were.

Mr. MOTT. Just going back for a moment or so, I have assisted the organization called Members of Congress for Peace Through Law, in connection with a fundraising dinner that they held here in Washington in September.

I have sponsored events for a variety of candidates. Just 2 days ago I gave a fundraising cocktail party for Bill Van Den Heuvel who ran for district attorney in New York and lost and had a deficit.

And I had a get-acquainted session for Gary Hart a week ago.

And I will be hosting on Sunday, October 7, a reception for the Indochina peace campaign.

All of these are, in one measure or another, political. These are easy to refer to and describe, but apart from that, I myself, as well as Anne Zill and Diane Abelman, are engaged in the study of the political process continuously, and are continuously meeting candidates and studying issues. And I find it hard to describe in any categorical sense.

Mr. MADIGAN. Now, there came a time when you became active in the 1972 Presidential campaign, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. And would you say it is fair to say that you were active throughout that campaign?

Mr. MOTT. Well, you could say that—the beginning of the campaign dates back to George McGovern's announcement of his candidacy. I was active even before that. I think my first act connected with the Presidential campaign was a gathering in my home on December 4, 1970, for George McGovern.

Mr. MADIGAN. When did you decide that you would support George McGovern for President?

Mr. MOTT. Immediately after—well, you say support. At the December 4, 1970, reception I convened a group of New Yorkers who were interested in his campaign, and who were, let's say, tentatively supporting George McGovern. And shortly thereafter in January 1971, I made an initial donation of $5,000 to the McGovern candidacy. But I can't say that I felt committed to him and him alone for the duration. And he was, as you know, a 3-percent-in-the-polls candidate. And I withheld total commitment, if you will, until shortly after the April 4 Wisconsin primary. And, at that time, I decided to go with McGovern straight through to the end of the general election.

Mr. MADIGAN. I take it that your earlier statement about back in December of 1970—you were not at that time committed to Senator McGovern?

Mr. MOTT. Only insofar as, for me, a somewhat modest donation, as a sign of support, not committed as the word really means.

Mr. MADIGAN. Did you have occasion to meet Senator McGovern for the first time in December of 1970, or had you met him earlier?

Mr. MOTT. Many times before. I don't remember when the first meeting was.

Mr. MADIGAN. Did you have occasion to meet Senator McGovern to talk about what his position on certain issues would be in December 1970?

Mr. MOTT. Yes, of course. No meeting I ever had with Senator McGovern has been devoid of discussion of some issues.

Mr. MADIGAN. And your statement is that it wasn't until—in what year, now, had you made a final decision, if you want to call it that, to support Senator McGovern for the Presidency?

Mr. MOTT. I would say it was shortly after April 4, 1972, following the Wisconsin primary.

Mr. MADIGAN. And from December 1970 to April 1972, am I correct in saying that you hadn't made up your mind who you were going to support in that period of time?

Mr. MOTT. That is right.

Mr. MADIGAN. Did you ever meet with Senator Humphrey to talk to him about his position on various issues?

Mr. MOTT. I have shaken his hand, but I have certainly never sat down and talked to him at any length.

Mr. MADIGAN. Have you discussed with Senator Humphrey the giving of money to his campaign?

Mr. MOTT. Only insofar as a letter that I wrote to him once in October of 1968 mentioning money. I never got a response to that letter. It wasn't a meeting in person.

Mr. MADIGAN. Have you had any meetings in person with him?

Mr. MOTT. I think I have met him just in passing, like in a Senate corridor—yes, I have met him at the home of Bill Benton in New York one time; we just said hello to one another, we didn't talk at any length.

Mr. MADIGAN. The letter you sent to him in 1968, that was in reference to any particular campaign?

Mr. MOTT. Yes; the 1968 Presidential campaign.

Mr. MADIGAN. And did the letter indicate to him whether or not you might support him for the nomination?

Mr. MOTT. Yes, sir.

Mr. MADIGAN. Did the letter indicate whether you expected anything in return for your monetary support?

Mr. MOTT. No; it didn't ask for anything tangible in return.

Mr. MADIGAN. Do you recall writing the letter that had this language in it?

We realize that you would like to have us become contributors toward your campaign. You should not expect an immediate decision from any of us, checkbook in hand. If we become "turned on" we have the capacity to give one million dollars or more to your campaign, but we will each make our own individual commitments on the basis of how you answer our several questions and how you conduct your campaign in the coming weeks.

Did you write something to that effect?

Mr. MOTT. Yes; that sounds like my language.

Mr. MADIGAN. You say it sounds like your language. Did you write that?

Mr. MOTT. As far as I know it is. Yes.

Mr. MADIGAN. And you were then indicating to Senator Humphrey that in return for your million or so dollars you would want him to take certain positions on certain issues; is that right?

Mr. MOTT. You are using the plural "you" now?

Mr. MADIGAN. You, Stewart Mott.

Mr. MOTT. I wasn't promising or even suggesting that I myself had the capacity to give a million dollars.

Mr. MADIGAN. You said "we" had the capacity. You don't include yourself in that?

Mr. MOTT. Yes. But I don't speak of myself alone. You have turned it around now and are addressing me solely, and I cannot claim that I personally and individually had the capacity to give a million dollars; no.

Mr. MADIGAN. Let me say you as a member of a group——

Mr. MOTT. Yes; coparticipate.

Mr. MADIGAN. You indicated to Senator Humphrey that if he wanted a million or so dollars from your group he would have to assert positions on certain issues; is that right?

Mr. MOTT. I didn't say that, by no means. I didn't say that he had to take any such position. We indicated in the text of the letter—and I gather you have the full text of the letter there—that I was writing for myself and suggesting that these other people be included in the meeting.

Mr. MADIGAN. You yourself wrote this letter?

Mr. MOTT. That is right. And I was seeking to find out what the positions were. As you recall, they were not crystal clear at that time, especially his position on Indochina. And my support of him was dependent upon how he was formulating and what kind of position he would be willing to take privately and publicly on Indochina policy.

Mr. MADIGAN. But it is fair to say that if he wanted your money he would have to take positions that you agreed with, is that right? Isn't that what you were telling him?

Mr. MOTT. I was telling him that I wanted to hear what his position was, and if I found that I liked it or agreed with it and thought that it was a sound position, that I would then support him.

Mr. MADIGAN. Did you write similar letters to other Presidential candidates or potential Presidential candidates?

Mr. MOTT. I don't recall any.

Mr. MADIGAN. You say you have never met—I want to get this clear—you have never met with Senator Humphrey personally and asked him, inquired of him rather of his positions vis-a-vis your giving him money?

Mr. MOTT. No.

Mr. MADIGAN. Did you meet with any other Presidential or potential Presidential candidate and inquire about his positions with regard to whether or not he would get your money?

Mr. MOTT. Yes.

Mr. MADIGAN. And who was that?

Mr. MOTT. Are you referring to the 1972 Presidential election, or 1968, or others?

Mr. MADIGAN. Why don't we start in 1968?

Mr. MOTT. Is that within the purview of this inquiry? It has turned out to be a rather long interview.

Mr. DORSEN. I think we should note that our jurisdiction does, in my opinion, cover the 1972 election and not contributions in the 1968 election.

Mr. MADIGAN. I think the activities and engagements of Mr. Mott during the 1968 campaign bear on his activities in the 1972 campaign.

Mr. MOTT. If you want to take it to mean that, it will just take a few moments longer.

I first met Gene McCarthy in January of 1968, and discussed his campaign and his position on the war in Indochina.

I had met George McGovern several times earlier in other connections outside of politics in connection with, as I recall most vividly, family planning, birth control, planned parenthood. I don't believe I ever met Bobby Kennedy.

Mr. MADIGAN. I am not talking about social meetings, I am talking about meetings at which you would indicate to the potential candidate that you would like to know or have his position on a certain issue, because if it didn't agree with yours, you would not give him any money, and if it did you would.

Mr. MOTT. Well, such meetings then beyond 1968 included a meeting with Birch Bayh in 1971, with Harold Hughes in 1971, with Fred Harris in 1971, with Edmund Muskie in 1971. I have known Ben Spock for many years. I never seriously considered supporting him as a Presidential candidate. I may be forgetting others.

Mr. MADIGAN. Am I correct in stating that at these meetings you indicated to the candidate or potential candidate that if he didn't come out with your view on certain issues you would not give him any money for his campaign?

Mr. MOTT. Such a point of view is not generally overtly expressed verbally. It is understood between candidates and contributor groups that obviously that person's position on issues as well as political standing is a prerequisite to financial support.

Mr. MADIGAN. I am not talking about groups and candidates, I am talking about what you said to those people I have just indicated. Was my paraphrasing of that correct or not?

Mr. MOTT. Not correct insofar as, it is a tacit understanding that exists between a candidate who is seeking support and a contributor who is listening to a candidate speaking to the issues. It is not overtly expressed.

Mr. MADIGAN. I am not talking about a candidate and a contributor. I am talking about those specific candidates and you.

Mr. MOTT. That is right. And in the circumstances under which I have met with these Presidential or potential Presidential candidates just named, the conditions for support were tacit, not verbally expressed.

Mr. MADIGAN. Did you meet with Senator Muskie in March of 1971?

Mr. MOTT. Yes.

Mr. MADIGAN. And what was the purpose of that meeting?

Mr. MOTT. To talk about the issues that he was espousing in his campaign, particularly his position on the Middle East, on family planning, on Indochina.

Mr. MADIGAN. How about abortion?

Mr. MOTT. Abortion under the heading of family planning.

Mr. MADIGAN. Is it fair to say that you requested that meeting?

Mr. MOTT. I don't recall. I had indicated an interest in meeting him—and one of his supporters in New York said he would be coming to town, and who really initiated the meeting I am not sure. It was mutually arranged.

Mr. MADIGAN. During that meeting did you discuss with Senator Muskie the fact that if he did not take certain positions on the abortion issue, for example, that you would not support him, and not give him any money?

Mr. MOTT. No, I did not.

Mr. MADIGAN. What did you say?

Mr. MOTT. I don't have a verbatim recollection of what was said at the meeting.

Mr. MADIGAN. Do you have any recollection of what was said at that meeting?

Mr. MOTT. As I recall, we discussed those topics I mentioned.

Mr. MADIGAN. Do you recall discussing whether or not you would contribute to his campaign at the beginning of that time when it was in operation?

Mr. MOTT. I don't think that it was discussed at any length. I think maybe in the course of it he said, "I hope I can count on you for support," or words to that effect.

And I said, "Thank you very much for the time you have taken to get acquainted." And only to that extent was the issue of tangible financial support even referred to.

Mr. MADIGAN. And you didn't refer to it beyond that?

Mr. MOTT. Not that I remember.

Mr. MADIGAN. Now, that meeting was in March of 1971, is that correct? Or do you really have a recollection of when it was?

Mr. MOTT. I think I have the date written down. March 23, 1971.

Mr. MADIGAN. Sometime after that meeting in March of 1971, I take it that you decided who you were going to support for the 1972 Presidential election?

Mr. MOTT. Yes; that is right.

Mr. MADIGAN. And I am correct, then, in stating that in March of 1971, meeting with Senator Muskie, at that time you had not decided and you were in fact considering Senator Muskie among others?

Mr. MOTT. Yes.

Mr. MADIGAN. Now, can you place an exact date as to when you finally made your decision? Was it in the April primary?

Mr. MOTT. I have answered that question twice before: April, or shortly thereafter, following the Wisconsin primary, 1972.

Mr. MADIGAN. I just want to make it clear. Up to that time you had not made a decision?

Mr. MOTT. That is correct.

Mr. MADIGAN. You have a copy of this document which is entitled, "Why Doesn't Muskie Tell the Truth?" And on the bottom of it it says in typed form, "Muskie Accountability Project, Room 4200, 515 Madison Avenue, New York City."

Did you produce this document? [1]

[1] See Book 11, p. 4860.

Mr. MOTT. I did.

Mr. MADIGAN. And the "Muskie Accountability Project" address is that office that we have talked about earlier?

Mr. MOTT. Yes.

Mr. MADIGAN. And room 4200, that is your suite of offices in that building?

Mr. MOTT. That is right.

Mr. MADIGAN. Now, tell us when this was first produced in terms of the date, if you can recall.

Mr. MOTT. I don't see a date on it. But, as I recall, it was done about the first or second week of March of 1792.

Mr. MADIGAN. It has up on the top of the page the date "March 19, 1972," so it must have been some date after that.

Mr. MOTT. Yes, right in the middle of it. This was done, made up and distributed immediately prior to the Wisconsin primary. It was thereafter in final form by about March 20, I guess.

Mr. MADIGAN. And whose idea was the "Muskie Accountability Project" to produce a document such as this?

Mr. MOTT. My own.

Mr. MADIGAN. You thought it up yourself?

Mr. MOTT. Yes.

Mr. MADIGAN. And did you think of producing this document prior to the time that you made your final decision as to who you would support for the 1972 Presidential election?

Mr. MOTT. Yes.

Mr. MADIGAN. So I take it, then, that at some earlier time you had decided that you would not support Senator Muskie?

Mr. MOTT. I guess that my firm resolvement not to support Senator Muskie came about the last week of January of 1972.

Mr. MADIGAN, And at that time, the last week of January 1972, had you yet come up with the idean of printing the document called the "Muskie Accountability Project"?

Mr. MOTT. Well, I didn't know exactly what course I would take during that period. The idea of doing this evolved over a span of about 2 months, from about the first of February through the end of March. In those 2 months I decided to engage in what is called negative research on Muskie. And the idea of getting a document like this together specifically occurred to me, I guess, about the first or second week of March.

Mr. MADIGAN. I am not sure I follow that. I thought you said a little while ago that this thing was distributed the second week of March.

Mr. MOTT. No, I said it was distributed just prior to the Wisconsin primary, and that I guessed that it was in final form, ready to photo offset, print and ship, by about the 20th of March.

Mr. MADIGAN. So sometime between January of 1972 and March of 1972 you developed this idea, and then during that period of time created this thing and released it sometime prior to the Wisconsin primary, is that right?

Mr. MOTT. That is right.

Mr. MADIGAN. Did you discuss this negative research project with anyone when you decided to embark on such a project?

Mr. MOTT. Yes, I discussed it with many people.

Mr. MADIGAN. Did you discuss it with anybody from the McGovern campaign?

Mr. MOTT. Yes, I discussed it with one or two people—well, three or four, I suppose.

Mr. MADIGAN. Who was that?

Mr. MOTT. I discussed it with Frank Mankiewicz and Gary Hart and Ric Stearns specifically. And others perhaps in passing.

Mr. MADIGAN. Did the three that you mentioned, Mankiewicz, Hart and Stearns, agree that it would be a good idea?

Mr. MOTT. No, they didn't agree or disagree. They were concerned that it might reflect—could possibly in some indirect way reflect inappropriately on the McGovern campaign. I asked for their advice. I asked them to give me information from their files about the negative research that they had done on Ed Muskie, which was very little indeed. In fact, all it really consisted of was an analysis of his voting record in U.S. Senate, which is public record. And their input into the preparation of this was absolutely minimal. They did not condone it, nor did they tell me, "Stewart, don't do it." I was not acting as an agent of the McGovern campaign at that time. And I was acting entirely on my own.

Mr. MADIGAN. And they knew about it?

Mr. MOTT. Yes.

Mr. MADIGAN. And where was the research done on the items that appear in here?

Mr. MOTT. It was done in New York at my office at 515 Madison Avenue as well as at Park Avenue, as well as out in the apartment of an associate, Vern Newton, who worked with me on this project; he worked partly out of his own office.

Mr. MADIGAN. And the research for this was done within a 2- to 3-month period by your——

Mr. MOTT. Two-month period.

Mr. MADIGAN. By your two- or three-man staff in addition to yourself?

Mr. MOTT. No, it was done by myself and Vern Newton.

Mr. MADIGAN. Did you use your staff to assist you in researching it, your staff at Madison Avenue?

Mr. MOTT. Insofar as my staff acted as a general support in answering the telephone and typing and so forth, yes, they assisted. But they weren't assisting in the substantive preparation of it.

Mr. MADIGAN. My question was, the research, they did not then assist in the research, obtaining of the data?

Mr. MOTT. Not to my recollection, no.

Mr. MADIGAN. The extracting of these sentences out of speeches, that type of thing?

Mr. MOTT. Well, if my secretary or administrative assistant in New York called up and asked for a copy of the Congressional Record, if you would call that research, then she participated in it. But it all depends on how you define research.

Mr. MADIGAN. Why don't we take page 13, the famous Muskie quotes. Who did the research for this? When I say research, who read the articles and picked these sentences out of them?

Mr. MOTT. Principally I did.

Mr. MADIGAN. Where did you get these articles from?

Mr. MOTT. Well, the first quote—where did I get them? On this page 13, the source material is indicated, with one or two exceptions. In the first instance, the "I can fudge," came from an interview that Muskie held with Dick Reeves in mid-January of 1972.

Mr. MADIGAN. Let me interrupt, if I might. I am not interested where they came from, but I am interested in where you got the items from that are listed on here. Who compiled this material, the different speeches, and the press conferences?

Mr. MOTT. I did.

Mr. MADIGAN. And where did you obtain them from?

Mr. MOTT. I just answered your question. I obtained the first one from Dick Reeves.

Mr. MADIGAN. Maybe I am not making myself clear. Let's take the second one, the press conference—January 5, 1972. Where did you obtain the transcript of that press conference in order to take out this sentence, or these two sentences that are in there?

Mr. MOTT. I subscribe to the New York Times, Washington Post, and at the time, the Washington Star, New York Post, and New York News, and I could have taken it from any one of those four or five newspapers. I don't recall from which one. It was a press conference that was widely quoted. And I probably took it from one printed in the media.

Mr. MADIGAN. Do you think that the famous Muskie quotes on page 13 are truthful?

Mr. MOTT. Yes.

Mr. MADIGAN. You don't feel that you distorted, for example, the first one, "I fudge on issues as well as anybody else," by taking it out of context?

Mr. MOTT. I have the full quote from that interview. And that is exactly what he said. In fact, I have the original transcript from the Reeves tape.

Mr. MADIGAN. I am not interested in looking at the original transcript. But let me move on to page 15, documentation confirming the lies. Where did you get the research material that is printed on that page and the following page?

Mr. MOTT. Well, I got some of the data from the secretary of state in Maine, and some from filings with the Clerk of the House, and some from transcripts from Meet The Press, and from the Today Show. I called up those media and asked for transcripts of the show.

Mr. MADIGAN. And you did it all yourself?

Mr. MOTT. Either I did or Vern Newton or my secretary.

Mr. MADIGAN. So your secretary was engaged in the actual research in addition to the typing?

Mr. MOTT. Insofar as calling up people and asking for documents is called research.

Mr. MADIGAN. At your direction?

Mr. MOTT. Yes.

Mr. MADIGAN. Now, who actually produced this document in terms of the printing process? Someone that was working for you?

Mr. MOTT. As I recall, I typed it all myself. And it was taken directly off my typewriter to an offset mailing house in New York called Miller Multigraph. And about 2,000 copies of it were run off.

Mr. MADIGAN. How many copies?

Mr. MOTT. About 2,000, as I recall.

Mr. MADIGAN. And that is the total number that you distributed? Is that right?

Mr. MOTT. To the best of my recollection.

Mr. MADIGAN. Did you receive any type of mailing list to mail those things out?

Mr. MOTT. I asked for the names and addresses of the Lindsay and McGovern coordinators in Wisconsin through which I distributed batches of 10 or 15 copies, in some cases 50, from Milwaukee. I sent it to a list of the press which I had compiled over the previous year. And I sent it to a list of Muskie contributors which I had also compiled in the research on Muskie's donations. And I sent it to Senator Muskie and his staff.

Mr. MADIGAN. How about the League of Women Voters, did you send it to them?

Mr. MOTT. I don't recall that I did.

Mr. MADIGAN. You did not use anybody's distribution lists, then, is that correct?

Mr. MOTT. The distribution was entirely handled by me. I didn't turn over this bulk to somebody else to distribute for me, no.

Mr. MADIGAN. You did not get a list of contributors or list of supporters from any campaigns or anybody else which you then sent this out to? You did it all on your own?

Mr. MOTT. I just finished telling you that I did obtain——

Mr. MADIGAN. Outside of your obtaining your own list of the Muskie contributors, what I am getting at, you didn't obtain a typewritten list of any kind from any of the Presidential campaign lists and use this to send this thing out?

Mr. MOTT. No.

Mr. MADIGAN. You are sure about that?

Mr. MOTT. I suppose that I sent a few copies of it around to fellow political activists, people who had worked in one campaign or another. And I compiled a list of my own. My own lists are dependent upon lists received from other people in part.

Mr. MADIGAN. You didn't use anybody's computer lists?

Mr. MOTT. No.

Mr. MADIGAN. I take it that you feel that everything in here is true, is that right?

Mr. MOTT. There is one inaccuracy that was called to my attention. And that was on page 22—the reference to the TRW Insurance was a misprint on somebody's records. It should have read TRW, Inc. It was written TRW Ins. And that is the only factual error that I know of in this.

Mr. MADIGAN. The statement appearing on page 2, "Muskie Ancestors, Draft Dodgers," I take it you feel that is a true statement?

Mr. MOTT. Yes, I do. I think it was taking a bit of liberty with the conventional connotations for a draft dodger——

Mr. MADIGAN. A bit of liberty?

Mr. MOTT. Well, insofar as you think of draft dodgers as people who are fleeing to Canada or elsewhere to avoid U.S. conviction. But in fact the parallel was very appropriate, I thought, inasmuch as both Muskie's father and grandfather agreed that Muskie's father should leave Poland rather than be drafted into the Czarist Army.

So in effect Muskie's father did, with his grandfather's consent, did almost exactly the same thing as young men in the United States did during the last decade in fleeing to Sweden or Canada or elsewhere, and who have been called draft dodgers. So there it seems to me that the parallel is exact.

Mr. MADIGAN. How about "Muskie, the Pious Polluter"? Is that an accurate, true statement?

Mr. MOTT. Insofar as he seemed to have a close collaboration with one of the most significant polluters in the State of Maine, and since he apparently assisted this particular corporation president in his activities, it could be claimed that Muskie collaborated in a project that did in fact pollute a river in Maine called the Prestille——

Mr. MADIGAN. You used the words "apparently could have been." Your statement in large letters on the top of the page is: "Muskie, the Pious Polluter." There is no "Muskie Who is Apparently a Polluter." Muskie might be a pious polluter?

Mr. MOTT. If you would like me to read into the record the full statement on pages 6 and 7——

Mr. MADIGAN. That will be in the record, you don't have to read it——

Mr. MOTT. I think that speaks for itself.

Mr. MADIGAN. Inviting your attention to page 10, "Muskie's Bad Temper." You have down here: "As Vice Presidential campaigner he would fume at advancemen and aides who established schedules he was incapable of meeting, 'Who are these faceless bastards that are responsible for this schedule?'" Where did you get that information from?

Mr. MOTT. The heading above indicates that the quotes came from a biography by Lippman and Hansen. And as I recall, that quote was in that book.

Mr. MADIGAN. That is what it says, "The Young Muskie." I am not sure you intended that to apply to all the rest of the columns below that; they are all from Lippman and Hansen, is that right?

Mr. MOTT. As I recall, every quote on this page did come from that book.

Mr. MADIGAN. And of course, you checked to make sure that was a correct statement, is that right?

Mr. MOTT. I had the book. I was quoting the book. I didn't go to the book sources.

Mr. MADIGAN. Did you ever contact any Senator Muskie people to ask them about whether or not these things were true, before you printed this?

Mr. MOTT. I asked them several times; I sent advance copies of this before it got wide distribution, not before I printed it, but before I distributed it.

Mr. MADIGAN. Who did you ask?

Mr. MOTT. I sent it to Beryl Bernard and to—not just this alone—Peter Brink, Arnold Picker, Milton Semer——

Mr. MADIGAN. And you asked them to comment about it?

Mr. MOTT. I asked them to comment, and I asked if there were any errors in it.

Mr. MADIGAN. Did you receive responses from them?

Mr. MOTT. No.

Mr. MADIGAN. And did you receive responses after you distributed this?

Mr. MOTT. Not directly from the Muskie campaign.

Mr. MADIGAN. Did you distribute during the 1972 campaign any other documents that you felt would be the product of negative research?

Mr. MOTT. Yes.

Mr. MADIGAN. You have taken ads in newspapers, have you not?

Mr. MOTT. Yes.

Mr. MADIGAN. How many newspapers did you take ads in?

Mr. MOTT. You are talking about negative ads or positive ads or what kind of ads?

Mr. MADIGAN. Negative ads.

Mr. MOTT. Well, I would have to make an estimate. About 70 to 100, somewhere in that range.

Mr. MADIGAN. Do you have copies of those ads?

Mr. MOTT. Some.

Mr. MADIGAN. Do you have them in your office in New York?

Mr. MOTT. I have got copies of some of them, but in many instances it was a single ad that appeared, the same ad appeared in multiple newspapers. And I don't have a copy of each ad that appeared in each newspaper.

Mr. MADIGAN. Do you have a copy of each ad that appeared in any newspaper?

Mr. MOTT. I think I do.

Mr. MADIGAN. And that would be in your New York office?

Mr. MOTT. Yes.

Mr. MADIGAN. And do you feel that those ads that were printed in those newspapers, the so-called negative ads, which is what I am talking about, those are the ones you indicate that you do have copies of?

Mr. MOTT. Yes.

Mr. MADIGAN. And they were truthful things that they said?

Mr. MOTT. Yes.

Mr. MADIGAN. You don't feel that they were slanted one way or the other, taken out of context?

Mr. MOTT. No.

Mr. MADIGAN. Did you ever receive correspondence from persons that had seen this indicating that certain statements in there were false?

Mr. MOTT. Not that I remember. I have had correspondence from people who disagreed with me, the basic thrust of it. But I don't recall any letters saying that any particular items were false or incorrect.

Mr. MADIGAN. Did you personally pay for all those ads yourself?

Mr. MOTT. Well, I either paid for them directly or through a group that was set up called the Committee for Honesty in Politics.

Mr. MADIGAN. Did you use any of the facilities in the McGovern campaign, once you decided to support him?

Mr. MOTT. Once I decided to support him? After April 4, roughly?

Mr. MADIGAN. Right, for this negative ad business.

Mr. MOTT. Following April 4, I placed ads in the States of Pennsylvania and Ohio in connection with the April 25 and May 2, I believe, primaries. And I had to obtain a standard form of disclaimer from the McGovern campaign that said that, as I recall, "The placing of these ads would not exceed the amount that could be spent on behalf of the McGovern campaign," in that given State, and insofar as those letters were written, why, the McGovern campaign did assist or did let me use their facilities.

Mr. MADIGAN. Did I understand your prior testimony to indicate that they did not assist in any way with this accountability project; is that right?

Mr. MOTT: Yes, sir.

Mr. MADIGAN. And that involved distribution as well as the printing process?

Mr. MOTT. I told you that I sent copies of certain Muskie documents to the Lindsay and McGovern storefronts and offices around the State with the suggestion that they distribute them if they would. I don't have any report, only very sketchy feedback, as to the extent to which they were used.

Mr. MADIGAN. Do you recall distributing information about Arnold Picker in the nature of accussing him of being involved in pornography?

Mr. MOTT. Yes, you have it in front of you. There is reference to Arnold Picker and pornography, I think perhaps in the same paragraph with this Muskie accountability project document.

Mr. MADIGAN. I am talking about in addition to that. Is that the only reference that you made to it?

Mr. MOTT. Well, there was reference to Arnold Picker in another document dated March 30, in which his donations were referred to. But at no point in this document is the word pornography used to my knowledge.

Mr. MADIGAN. And do you feel that is a true statement, one that appeared in the accountability project about Mr. Picker?

Mr. MOTT. Yes.

Mr. MADIGAN. Do you recall receiving this letter in March of 1972 from Milton Gwirtzman?*

Mr. MOTT. I dimly recall receiving this letter. I don't think I did anything with it. I don't remember replying to it.

Mr. MADIGAN. Did you distribute it as he requested with his statement in the last paragraph indicating that your statements in this accountability project with respect to him are not true?

Mr. MOTT. He didn't indicate here that the statements insofar as what I said in the accountability project were not true. My statements about whether the official records show the Muskie Election Committee as being a Senate committee, those statements he did not refute.

Mr. MADIGAN. Your implication is that this man and other contributors didn't know where their money was going to, and Senator Muskie was trying to hide something. And he indicates it is not true with respect to him; is that right?

Mr. MOTT. Well, if you file a statement of purpose or committee report and say you are using money for a Senate campaign, and you,

*See attachment No. 1, p. 12131.

the candidate, and he, the contributor, have a tacit agreement that the money really is going to be used for a Presidential election, that may be fine and good between candidate and donor, and perhaps there is no fraud as between them. But insofar as the money gets reported in cash through a Senate election committee, then there is a deception to the public. And he certainly didn't refute that allegation.

Mr. MADIGAN. He certainly didn't agree with it in his letter, and he asked if you would distribute this as indicating what his view of it was. And I take it you didn't do that.

Mr. MOTT. No.

Mr. MADIGAN. Now, do you have records in your office in New York indicating the payment for and the distribution of the Muskie accountability project?

Mr. MOTT. Yes.

Mr. MADIGAN. And those records would indicate the cost and location of its products as well as its directions?

Mr. MOTT. I don't know if we have a record of the addresses to which it was sent. They were on scraps of paper here and there, and I don't think they are together in the file.

Mr. MADIGAN. But in terms of——

Mr. MOTT. The bills, the invoices, sure.

Mr. MADIGAN. Printing it up, and that kind of thing?

Mr. MOTT. I think so.

Mr. MADIGAN. Do you feel philosophically that there is anything wrong with individuals who are capable of making large contributions to a Presidential campaign tying those contributions to promises on certain issues?

Mr. MOTT. Well, insofar as there is a self-interest in tangible monetary terms, yes, I think there is something dreadfully wrong with that.

Mr. MADIGAN. Do you think that perhaps if that was true across the country, that the very small percentage of people who had a great deal of money to contribute to a campaign could by virtue of denying that money to the candidates get their issues presented to the people rather than the vast majority of the people who were unable to make such contributions?

Mr. MOTT. Either by denying the money or by giving money, one way or the other, yes.

Mr. MADIGAN. I take it that you felt that in the 1972 campaign that is the way the present state of affairs is, so I am going to engage in that?

Mr. MOTT. I didn't engage in it with the same self-interests, the same tangible self-interest that many of the donors did.

Mr. MADIGAN. I don't understand what you mean by tangible self-interest. You wanted to get your issues, the positions that you took, the issues adopted——

Mr. MOTT. I think there is a remarkable difference between people who give in the public interest in support of candidates who espouse certain issues, and on the other side, those who have regulatory cases adjudged by Federal agencies, who have price indexes set by the Department of Agriculture, for example—I think there is a vast difference between my kind of donor and the milk producer who gets perhaps $500 million worth of benefits out of $400,000 worth of giving.

Mr. MADIGAN. That is something that there are present laws against if it can be proved. What I am suggesting is that if we have large contributors, people who are capable of giving large contributions, and those people tie those contributions to a candidate's position whether you think that is something that is good for the political system, or something that maybe ought to be changed——

Mr. MOTT. I think it is very bad for the political system when that donation is tied to direct or indirect financial self-interest.

Mr. MADIGAN. That wasn't my question. My question was, did you agree or disagree that where we have a situation where people who are large contributors or potentially large contributors tie those contributions to a candidate taking a position on certain issues, whether that is a good thing for the political system, or whether that ought to be changed?

Mr. MOTT. I don't think it is good or bad for the system when the issues are, let's say, public spirited. But when they are self-interests, I think it is dreadful.

You did not, in your question, differentiate between the larger issues—let's say, to be or not be in Vietnam—as compared to the issue as to whether the price per hundredweight of milk should be $5.05 or $5.75, and both are in issue.

Mr. MADIGAN. I am not sure that the milk thing is in issue. I think it is maybe strictly an interest.

Mr. MOTT. You ask the dairy lobby whether it is an interest or not.

Mr. MADIGAN. Let me get it more concretely. Let's take the abortion issue. Do you think that it is a good thing for the political system to have a contributor or potential contributor tying his money to a candidate taking a position favorably to him or in agreement with him on that particular issue, or do you think that that is something that ought to be changed?

Mr. MOTT. I think that is part of the voluntary system of America, and whether the issue be abortion or any other, and whether the contribution is large or small, I think it is a good and healthy system that provokes donors or potential donors to a campaign to decide on the basis of an issue like abortion whether or not they should support a candidate.

Mr. MADIGAN. Then we have a system where the donors who were maybe 2 percent of the people in the United States control, what the issues are and what the candidates' positions are, isn't that right?

Mr. MOTT. Well, the situation is rapidly changing. And as of today the number of donors to a political campaign adds up to more like 10 percent of registered voters. And I think it is a system that needs to be changed in favor of broadening the base of financial support.

Mr. MADIGAN. That is all I have.

Mr. SANDERS. Principally I wanted to ask you some questions concerning your contributions to campaigns and your loans and donations of other goods and services. But I would like to ask a few questions in elaboration of some things you had asked.

Mr. MADIGAN. Do you want me to stay?

Mr. SANDERS. Just stay a few minutes.

[Discussion off the record.]

Mr. SANDERS. The purpose of my next few questions is to try to obtain your assistance in explaining further and perhaps in a little

more detail the nature and extent of your contact with key McGovern aides preparatory to the issuance of this document, the Muskie accountability project, and in the development of it.

You mentioned that you had talked with Mankiewicz, Hart, and Stearns, I believe. When you perhaps first had the germ of the idea, would you explain who you saw first and what manner of discussion you had with any one on the McGovern staff?

Mr. MOTT. Well, I had been in varying degrees of contact with those three named individuals and others starting with August of 1971, all the way through the calendar year 1972. And, as to when I first brought up the subject of making a research on Muskie to them, one of them—I don't recall, it was in all likelihood a telephone conversation somewhere between maybe December 15 and February 15. And I don't think any of my records would indicate exactly when that took place. I probably had a dozen conversations with them. I obtained what I mentioned earlier, the negative voting—the voting record of Muskie, which was just, I think, the full extent of the file, their negative research file. They did not have a staff person assigned to any kind of negative research—I am speaking of the McGovern staff—they did not have a staff person with that assignment. And I obtained a reprint of an article, I think published in the American Heritage about the Prestille River. That was one other document that I recall that was in the file. And I was kind of surprised at the time that there had been no more ample negative research done. And I might be able to date when it was that I obtained those documents.

Mr. SANDERS. I think the timeframe you have given there is adequate.

Mr. MOTT. But during the months of February and March and April the McGovern—those three people in particular were so preoccupied with other things that as far as I know they did not go any further in the direction of negative research on Muskie. And they were quite explicit in telling me that they disassociated themselves from my activities.

Mr. SANDERS. You can say with some certainty, then, that this idea did not originate with anyone in the McGovern campaign?

Mr. MOTT. No chance, no. In fact, it seems to me that Jack English or someone on the Muskie staff claimed that it was all a putup job, that Stewart Mott was just a front person for the work of the McGovern operatives—and nothing could have been further from the truth.

Mr. SANDERS. That is one purpose of this inquiry, to establish the truth or falsity of that idea——

Mr. MOTT. And I swear on the record that I did all the typing as well. This was my project.

Mr. SANDERS. If this has been asked previously, I apologize.

After you had completed the final draft of it, did you show it to someone in the McGovern office?

Mr. MOTT. I don't think they saw——

Mr. SANDERS. That is, before it was mailed——

Mr. MOTT. No, I don't think so. I sent them a copy of the final product, but I didn't send them any preliminary copy.

Mr. SANDERS. Could you further identify Vern Newton?

Mr. MOTT. He at the time was an active political worker who had been employed by Howard Samuels at the off-track betting office, and

he had done free-lance work for the New Democrat magazine, who was planning to go on to the Iowa Writers School later in the summer. He had had a previous eye on Muskie, having written one article for the New Democrat about Muskie. And in looking about for someone to assist me with this project, he seemed ready-made, specially since he had been a collector of clippings and speeches, and so forth, about Muskie in the course of his own work. And so I engaged him about the first or second week of February.

Mr. SANDERS. After you had already conceived the idea to do the research?

Mr. MOTT. Yes.

Mr. SANDERS. Did you employ him full time from that point?

Mr. MOTT. Well, for those 7 or 8 weeks, yes.

Mr. SANDERS. Do you know what he is doing now?

Mr. MOTT. He is out in St. Louis, I think, involved with real estate in some fashion.

Mr. SANDERS. And residing in St. Louis, his home?

Mr. MOTT. Yes.

Mr. SANDERS. And that is N-e-w-t-o-n?

Mr. MOTT. Yes.

Mr. SANDERS. Was the expense of his salary included in your reports to GAO, to the best of your knowledge?

Mr. MOTT. No, his salary and expenses were financed through what we set up and called the Sixtus Corporation. It is mentioned on the second page here. And we had agreed that if Muskie continued in the campaign, and if Vern Newton could get a publisher—if he could make a book out of this, and could publish it—that the Sixtus Corporation would own the right to all of the royalties to that book, or any other fees that he got for writing in connection with this.

And so we set it up in that form, not really knowing whether we would have a book, and if we did have a book, whether there would be any profit in it.

Mr. SANDERS. What is the significance of the word "Sixtus" in the corporation?

Mr. MOTT. That is Edmund Muskie's middle name.

Mr. SANDERS. In issuing the Muskie accountability project document, why did you not place your own name upon it?

Mr. MOTT. I did. In fact, I was very amused when Joe Clark wrote to me—I had sent him a copy of this, and he said—he wrote to 515 Madison Avenue, and he said, what kind of character are you, issuing documents like this without signing your name on them? And I wrote back and I said: "Dear Joe: Look at page 2, I signed it."

And as far as I know, I signed virtually everything else that did appear. I did so intentionally. I didn't want to have any anonymous stuff going about like some of the material you have looked at.

Mr. SANDERS. Do you have any knowledge of further reproductions that were made of this document on the basis of those which you mailed in batches to McGovern and Lindsay people in Wisconsin?

Mr. MOTT. Not specifically. I suggested on the front that they could certainly copy or Xerox it, but actually whether it was done or not I don't know.

Mr. SANDERS. What I had in mind was actually any mass reproduction.

Mr. MOTT. Not that I am aware of.

Mr. SANDERS. Did you discuss with any officials in the McGovern campaign office the matter of addressees for the publication? I am aware of your listing of whom you sent it to. But my question is directed to any discussions you might have had with officials in the McGovern office as to whom it should be directed.

Mr. MOTT. Yes, I remember asking for a list of the McGovern coordinators around the State, and I tried to determine in a telephone call as to whether those were active offices or——

Mr. SANDERS. That would indicate that you had the idea to send it to those people, and all you were doing is asking for names and addresses.

Mr. MOTT. That is right.

Mr. SANDERS. And my question is, did you seek any counsel or advice from those people as to categories of addressees?

Mr. MOTT. Oh, sure. I asked which were large offices and which were small. And since I wanted to distribute the balance in a proportionate way around the State, I wasn't about to send 500 copies to Oshkosh, Wisconsin or a dozen to Milwaukee; I wanted to get some sense of proportion, and I checked the population figures, of course, and I also asked the McGovern people which were their larger campaign offices and which were smaller.

Mr. SANDERS. We are still not on the same track here. What you are saying is that you had already apparently decided that you wanted to send it to the McGovern field people.

Mr. MOTT. McGovern and Lindsay.

Mr. SANDERS. The McGovern and Lindsay field people. That is fine. That is your answer. But what I am seeking to learn is whether you asked their advice on total categories of persons to be sent this document—in other words, would you ask them whether they would want it sent to any persons in any other areas of the United States besides Wisconsin, any other categories of people, aside from their own field employees?

Mr. MOTT. No, I just automatically sent it to the national staff at the McGovern and Lindsay headquarters and McCarthy headquarters. And I didn't ask whether I should or shouldn't, I just did it.

Mr. SANDERS. That is what I am asking.

I presume that in——

Mr. MOTT. Oh, I sent a copy to John Lofton, too.

Mr. SANDERS. I presume that in conceiving this, one of your thoughts would have been that Muskie was someone that McGovern needed to beat in order to get the nomination. Are you assenting to that at this point?

Mr. MOTT. I had multiple motivations for doing this, and assisting McGovern in obtaining the nomination was one of them. But, at the same time, McGovern hadn't during that period scored any significant primary victories. And I didn't know but what Lindsay or McCarthy could emerge as a viable candidate during that period of February to early April. And so what I was doing was not meant solely for the benefit of George McGovern, but it could have had benefits for either Lindsay or McCarthy.

And another very significant rationale for doing it was that when I came across the Richard Reeves quote from Muskie, that if he told

where his money was coming from he would be out of the race, that infuriated me. And I knew that that was likely to be one of the most important issues in the general election against the Republican nominee. And I wanted to be damned sure that the Democratic nominee would be on the right side of that issue. And it is an issue which I have worked for just plain and simple as an issue for the past 4 or 5 years.

Mr. SANDERS. In the early part of 1972, then, your feeling was that Muskie was the frontrunner?

Mr. MOTT. He appeared to be, yes. I accepted the common judgment on that.

Mr. SANDERS. I suppose really what I am thinking of when I ask this is the line of questioning that was asked Pat Buchanan. I don't know whether you followed that in the hearings or not. And he was questioned about his idea that Muskie was the frontrunner and he was the one that had to be beat.

Besides this Muskie accountability project document that we are now referring to, did you produce or sponsor any other publications in the 1972 Presidential campaign—let me perhaps make that easier to answer—for mailing, let's say in numbers in excess of a thousand or more?

Mr. MOTT. If you would say that my assistance to Steve Schlesinger, in support of the New Democrat magazine both through contributions and loans, constituted publication or directly or indirectly constituted publications, yes, I can say that specifically.

I also was the financial sponsor of a newsletter called The Informed Delegate that was sent to delegates selected for the Democratic Convention.

And I assisted Dick Tuck in the convention newspaper called The Reliable Source. That was not mailed, it was delivered by hand.

And I am a supporter of the National Committee for an Effective Congress. And it sends out multiple mailings. But that is on a congressional level.

I certainly assisted in many ways in the McGovern direct mail operation, and financed several of his mailings which went through the mails, which you call publications.

It is hard to answer the question, because it is such a big question. I probably did other mailings that I haven't mentioned, but I can't think of them.

Mr. SANDERS. Let's talk for a moment about any publications which were generated in your own offices or by persons directly employed or supervised by you.

Mr. MOTT. Well, aside from this one document that we have been talking about here, I have brought along copies of another batch of things that did emanate from my office that related to Muskie. And some of them have the name "Muskie accountability project" on them, and others, I think, have the name "The Committee for Honesty in Politics." *

Mr. SANDERS. And those would have all been——

Mr. MOTT. None of them were sent out in the thousands. They were sent out in the dozens or hundreds.

Mr. SANDERS. Are you making those available for us? Do you have any extra copies?

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[1] See attachment No. 2, p. 12133.

Mr. MOTT. I selected out a batch that I was going to leave with you.

Mr. SANDERS. Mike, do you have most of these? Do you know?

Mr. MADIGAN. I don't know. I know it was a subpena duces tecum. But I am not clear—was it a subpena duces tecum to come and bring records?

Mr. MOTT. It was to come and bring records. I remember asking Dick Schultz several times as to what he wanted, because I would need a truck to bring all my records.

Mr. MADIGAN. I am not sure what the subpena was——

Mr. SANDERS. If you have other documents that were publicly issued with regard to the Muskie accountability project and you have copies for us we will take them.

Your answer to my question at this moment, then, was directed to the Muskie accountability project documents?

Mr. MOTT. Yes. And the Committee for Honesty in Government, which was the name I used before using the Muskie accountability project. The only ones that I can think of at this moment that were Muskie-related were produced in my office.

Mr. SANDERS. Just to further clarify that, did you or any of your personnel engage in any negative research on any Presidential candidates besides Muskie?

Mr. MOTT. When you refer to personnel, are you referring to people on my payroll?

Mr. SANDERS. On your payroll, or volunteers solicited or supervised by you.

Mr. MOTT. Well, to give you a full, ample answer to the question, I was supporting a variety of people during the year indirectly through donations to organizations such as the Center for Political Reform, and such as the Center for Community Change, which was conducting the milk suit. And insofar as these groups developed negative information about other candidates, I was indirectly supporting negative research. And, of course, in the general election campaign I have worked with the young fellow in the McGovern headquarters who headed up the negative research department.

But in my own offices now, getting back to New York and where I was operating, I did not undertake any other negative research activities.

Mr. SANDERS. Are you aware of any documents containing negative research by any of your personnel or groups supported by you on candidates other than Muskie?

Mr. MOTT. No.

Mr. SANDERS. The document which you said you collaborated with Tuck on, "The Reliable Source," which was issued at the convention, what was the extent of your involvement in that?

Mr. MOTT. Dick Tuck posed to me and to half a dozen other friends that we put up collectively something like $10,000 or $12,000 which he thought he could return to us from proceeds of the sale of the newsletter, newspaper, or from ads. I never saw a dime of it back. He had presented it to me as a business proposition, and had at least a general outline of how he would make it a break-even project. And I loaned him—I think it was a loan, I don't know whether it was a partnership or corporation—a loan, say, for the lack of more general terms, of $3,000 that I never saw it back. I had to write it off. And I don't know whether my accountant handled that as a political expenditure or as a business loss. One of the two.

Mr. SANDERS. The purpose of that $3,000 was to fund the issuance of this publication?

Mr. MOTT. Yes.

Mr. SANDERS. And did you personally deliver the money, hand the money to Tuck, or was it mailed to him?

Mr. MOTT. I believe John Hodgkin took care of that. I don't know how he delivered it.

Mr. SANDERS. Undoubtedly he would have made some record of it in his books?

Mr. MOTT. Yes.

Mr. SANDERS. Was this shortly before the convention?

Mr. MOTT. I think it was like 7 to 10 days before the convention.

Mr. SANDERS. Did you have a personal conversation with Tuck about it?

Mr. MOTT. Yes.

Mr. SANDERS. On more than one occasion?

Mr. MOTT. I guess.

Mr. SANDERS. What previous association had you had with Tuck, if any?

Mr. MOTT. No association. I had met him socially, but I had not worked with him in an active way previously at all.

Mr. SANDERS. Did he contact you through any auspices of the McGovern campaign office?

Mr. MOTT. Not to my knowledge—he just called up, and we having met each other, he just contacted me directly as I remember.

Mr. SANDERS. Was there any indication to you at that time that he was working for the McGovern campaign?

Mr. MOTT. In a vague way, yes. I had seen him at various McGovern events. I had never paused to inquire whether he was on the McGovern payroll or supporting McGovern exclusively, volunteering—it never occurred to me to ask.

Mr. SANDERS. Did you have any personal connection with any other activities of Tuck in the 1972 Presidential campaign?

Mr. MOTT. No.

Mr. SANDERS. I think that is all I wanted to ask with regard to your project, Mike. Do you want to come back with anymore?

Mr. MADIGAN. Just a couple of questions.

I take it that you did not give Tuck any other money other than this $3,000?

Mr. MOTT. No. And that, it was understood was to be strictly for "The Reliable Source." And I had some expectation of getting it back, too.

Mr. MADIGAN. Although not much?

Mr. MOTT. At the time he presented it, it seemed to me that with advertising revenue and newsstand sales that he could generate some income. But I never had an accounting from him as to what the property loss was.

Mr. MADIGAN. He didn't indicate in your conversation that he was working on the issues for McGovern or describe what he was doing for McGovern or make any mention at all of his work for McGovern?

Mr. MOTT. No.

Mr. MADIGAN. You just didn't know because you had seen him at different events. But during the conversation when he was asking for

the money, he didn't specify that "I am doing such and such and this is what my job is, and this is part of it"?

Mr. MOTT. No. In fact, I believe it was generally understood that there was to be a McGovern newsletter or bulletin issued daily or twice daily. And I think I asked him, I said, "What are you doing this for?"

And he said, "Well, I want to be independent of the McGovern campaign and do this at arm's length."

Mr. MADIGAN. You may have said this before, I don't recall. Did you indicate the name of the person you said you worked with who was the head of the McGovern negative research department?

Mr. MOTT. Ron Smith.

Mr. MADIGAN. And what were the duties of that department, did you know, while you were working with him?

Mr. MOTT. They were looking at inconsistencies within the past performance or present pronouncements of the Presidential and Vice Presidential candidates. They were looking for information on benefits that large contributors may have received through Federal price regulation or otherwise. Those are a couple of the major areas of research that that group was engaged in.

Mr. MADIGAN. Do you know whether Mr. Smith is presently employed by Senator McGovern?

Mr. MOTT. No, he is employed by Mike Harrington, the Congressman.

Mr. MADIGAN. In Boston or Washington?

Mr. MOTT. Are there two Mike Harringtons?

Mr. MADIGAN. The one I know is in Boston.

Mr. MOTT. There is one Congressman, Mike Harrington from Massachusetts.

Mr. MADIGAN. Maybe you don't know what the question is. My question is, is he employed in Boston or in Washington?

Mr. MOTT. In the District of Columbia office.

Mr. MADIGAN. So I take it that when you talk about negative research you do not include in there any publications or any parts of your publications, the accountability project which are not true?

Mr. MOTT. I can only speak to what I was responsible for, the documents that you have.

Mr. MADIGAN. My question is a little broader than that. Your understanding of negative research is the publication of unfavorable items about the candidates, but those unfavorable items are true?

Mr. MOTT. Yes. Otherwise such——

Mr. MADIGAN. You don't include in there the publication or anything if it happens not to be true?

Mr. MOTT. I only dimly perceive the meaning of your question. I think it is a waste of time to publish material that is not true and can be proven not true. That serves no good purpose.

Mr. MADIGAN. I am just trying to get your definition of negative research. And that is excluding that kind of thing within your definition of it?

Mr. MOTT. I guess so, if I understand you correctly. I think negative research also includes going down a lot of blind alleys and gathering a lot of documentation and material that you never publish.

Mr. MADIGAN. I think you have answered that. I don't want to belabor it.

That is all I have.

Mr. DORSEN. No questions.

Mr. SANDERS. Then I want to ask you some questions about campaign contributions.

As the 1972 Presidential candidates evolved—as their candidacies evolved—did you at any one point in time budget the size of your contributions to various candidates? Did it occur as the campaign progressed that you made progressive decisions to add more of your funds to their campaigns?

Mr. MOTT. Insofar as direct campaign support to the candidates are concerned, yes, I did budget it. And I even candidly gave about $5,000 to each of McGovern, Lindsay, and McCarthy at an early point following their announcements of candidacy. And I gave $2,000 to Shirley Chisholm at the time. And in April of 1972 I made up my mind that I would give $50,000 per month to the McGovern campaign so long as he was a candidate, which meant therefore that I would be giving for April, May, June, and into July $150,000 or so in the prenomination period, and another $200,000 or so in the July, August, September, and October period if he won the nomination. In actual fact, I did not give it precisely at the rate of $50,000 a month. But I think my total contribution for the year came out to approximately that sum total of about $350,000.

And I notice you are looking at that letter.* The discrepancy between the figure you have of $280,000 and the roughly $350,000 that I believe I did give is, I think, attributed to the fact that I still had loans outstanding to the campaign at the close of 1972 which were subsequently converted into gifts in early 1973. And actually, I had asked John Hodgkin to give you a footnote on what additional gifts were made outside of the timeframe that you asked for. And I see that he did put in the $5,000 given previous to July 1, but he did not show there any donations given to the McGovern campaign after December of 1972. But I think that total is roughly $350,000.

And beyond that, I spent in direct expenses out of my own pocket about $50,000 more in connection with the McGovern and other Presidential campaigns.

So that was all part of a rather deliberate master budget. And the other things that I did spend money for politically last year in 1972, like in the delegate selection process supporting the Black Caucus, Youth Caucus, Women's Caucus, and the Center for Political Reform, there it was much more ad hoc than in terms of budget planning.

Mr. SANDERS. In making this decision to contribute a certain approximate sum as the year progressed, did you reduce this to writing, or was there just a mental process you were going through?

Mr. MOTT. I don't remember whether I wrote a letter to McGovern or any of the others, in connection with the donation. I do remember having told Henry Kimmelman at one point in early April that was my commitment. And I don't think I wrote it down, but I may have.

Mr. SANDERS. Did you indicate that that commitment would be—all of it would be by way of gift, or that some of it would be by way of loan?

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[1] See attachment No. 3, p. 12136.

Mr. MOTT. No, it was understood to be that it was to be a gift. But I certainly went far beyond that in terms of loaning funds and making my office available and putting up securities as collateral for various purposes, so that the total moneys involved in the campaign from me may have added up to seven or eight hundred thousand dollars at any moment in time. But as for completed gifts, that total would, I think, correctly be in the $350,000 range.

Mr. SANDERS. In early 1972, would you have given any instructions to Mr. Hodgkin with respect to this as the year progressed?

Mr. MOTT. Well, I told John Hodgkin what my commitment to the McGovern campaign was at the same time as I told Kimmelman. And when they needed—when the campaign needed some of that up front for the California primary I agreed that I would make my June gift in early May instead of waiting for the first of the month to come around.

Mr. SANDERS. What I am trying to establish is, would Hodgkin have made those contributions for you to McGovern each month without any further or corrective instructions from you?

Mr. MOTT. Oh, yes, sure, it could have worked out that way. And that is the way it would have worked if I had taken a powder and hadn't been around and hadn't altered the instructions, sure.

Mr. SANDERS. I wonder if you could provide me with an explanation of what factors might have influenced your decision in the size of your gift in deciding how much you would give to McGovern.

Mr. MOTT. Well, my total assets are around about $5 million. They may have been slightly more in April of 1972. And I had given, I think it was $365,000 for all political activities in 1968. And I was basing my decision partly on that precedent, and partly on the ability of my portfolio to absorb that kind of subtraction. It was proportionate to my sense of commitment to the issues that McGovern stood for. And the larger philosophical attitude that I had toward the use of my resources, not needing that kind of money for myself, being a bachelor, and not having very expensive personal tastes, I feel that the use of those funds ought to be in the public interest. And I give away approximately $650,000 per year in charitable deductible activities. And the total of $350,000 to $400,000 for the McGovern campaign was set in balance against other political expenditures that year which added up to—well, I made a list, and it came out to about $600,000 more for the support of congressional candidates and for the support of issue-oriented politics, not necessarily candidates.

Mr. SANDERS. Did the commitment to McGovern arise as the result of a solicitation from the McGovern people in contacting you, or did you contact McGovern's officials to give them and to ascertain their position on issues?

Mr. MOTT. Well, the first solicitation I had from the McGovern campaign came in a phone call in November of 1970, when George McGovern called me up and said, "I am planning to announce my candidacy in January." I was flabbergasted. I didn't know quite how to react. I wondered whether it was wise. And he asked if I would be willing to convene a group of his New York friends to discuss his campaign, which in fact I did on December 4, 1970. And that was the first request for support which came from McGovern himself. As for subsequent discussions of money in the campaign, I don't believe that he and I ever discussed any dollar figures. Certainly Henry Kimmel-

man was eager for me to give as much as I could and would. And he never told me what he thought I should give. And it turned out that I was the largest donor to the campaign. And he went out using my gift as a talking factor, as a lever to give other people to give as generously as they could.

Mr. SANDERS. Did the new Federal campaign law of 1971, which took effect on April 7, 1972, play any part in the size of your contributions or in the manner in which you made them?

Mr. MOTT. None whatsoever that I recall. I don't believe it affected it at all. I can't think of any way.

Mr. SANDERS. Did it have any role in any public disclosure that evolved about your contributions?

Mr. MOTT. Well, my major contributions were all after the seventh, and they were very much on the record. And I wasn't concealing anything.

Mr. SANDERS. Were your pre-April 7 contributions publicly disclosed before April 7 in any way?

Mr. MOTT. Yes. As I recall, Pete McCloskey made—is his name on the list, by the way?

Mr. SANDERS. Yes.

Mr. MOTT. It should be—he made an exposure of his contributions. And McGovern made a disclosure of his. Whether Shirley Chisholm and Gene McCarthy did I don't recall. And Lindsay made a disclosure of his.

Mr. SANDERS. Did you make any contributions of cash in excess of $500 or more to any political candidates in 1972 or to any of their committees?

Mr. MOTT. No; not cash. I gave by check and by stock, but not by cash.

Mr. SANDERS. Did you attempt in any way to make your contributions so that you would not be shown as the real donor?

Mr. MOTT. Never. And when for a while John Hodgkin was acting as my agent and signing documents, and so forth, I asked him repeatedly to indicate that he was acting on my behalf. And when I saw in the GAO reports that his name was listed as the donor/lender, I said, "Please write a memorandum to the appropriate person at GAO to make sure that there is no misrepresentation."

Mr. SANDERS. In making your contributions by way of stock to political candidates, Presidential candidates in 1972, did you or your employees do so in order to take advantage of the interpretation of the tax laws pertaining to appreciation?

Mr. MOTT. Yes. We repeatedly made donative sales. The idea for doing that came out of my acquaintance with previous campaigns—I had not made gifts in donative sales of stock before to political candidates, but in fact in 1968 I guess all of the moneys that I gave or spent on behalf of the Rockefeller and McCarthy campaigns in 1968 were all by check, because I had heard that the Nixon and Humphrey campaigns were being financed through donative sales, particularly because of that memorable fund raising letter that was quoted, I think, both in the New York Times and the Washington Post by a Republican fundraiser in California soliciting donations and stock. I perceived this as a legitimate way to donate. And I checked it out with counsel at Mudge, Rose, Guthrie & Alexander, and they approved the procedure.

Mr. SANDERS. Your system, then, was to donate the appreciated value of the stock?

Mr. MOTT. By and large, yes; or where it had a very low basis, to give it to them completely.

Mr. SANDERS. You have stated that your total contributions to the McGovern Presidential campaign for 1972 were in the vicinity of $350,000?

Mr. MOTT. To McGovern; yes.

Mr. SANDERS. $350,000 approximately?

Mr. MOTT. Yes.

Mr. SANDERS. But in addition to that you loaned the McGovern campaign some substantial sums?

Mr. MOTT. At various intervals, when they had a mailing to go out, direct mailing, or if they needed up front costs for printing and postage; on a couple of occasions I have loaned as much as $40,000 or $50,000—and it came back within a month or 6 weeks, the proceeds of the direct mail. During the May-June period we set up a special account at the Irving Trust Co. in New York to permit the early liquidation of funds—did John Hodgkin explain that to you?

Mr. SANDERS. He explained it to me—you don't need to go into that for my benefit. I understand the mechanism there.

Well, today, as a carryover from McGovern's Presidential activities in 1972, are you still owed money by the McGovern campaign?

Mr. MOTT. Not to my knowledge. I don't think so.

Mr. SANDERS. Any and all loans have been repaid to your knowledge?

Mr. MOTT. I believe so; yes.

Mr. SANDERS. I notice on your report which you have filed with GAO of October 30, 1972, a listing of—it was filed in January of 1973—I notice a listing of obligations to various McGovern committees in the amount of $3,000, with the statement that the obligation was incurred on October 30, 1972, which should have been just a week or so before the general election. The report shows that as of January 1973, most of it was $3,000 obligations, which are still outstanding.

Mr. MOTT. What was the sum total?

Mr. SANDERS. Outstanding balance is $233,000. My line of questioning here relates to the magnitude of that obligation at a time in 1973 when the campaign is history and the McGovern campaign is maybe not in need of such funds for its debts.

Mr. MOTT. Some of those were forgiven and some were paid back. I don't know which was which. You would have to ask John Hodgkin for details. And I thought that it was all wiped off the books by now, either the loans that were outstanding as of January 1, were paid back or were canceled, or donative sales of stock were made to convert the loan into a gift and the loan was repaid by the sale of the stock.

Mr. SANDERS. Do you have any knowledge that any of your contributions to McGovern or any of your obligations to McGovern were made with the thought that those funds would be eventually transferred to a senatorial campaign committee?

Mr. MOTT. Oh, no, certainly not.

Mr. SANDERS. I have a few questions that I want to ask which have some similarity to what Mike Madigan asked you, but still are a little bit different with relationship to contributions by men of wealth.

[Discussion off the record.]

Mr. SANDERS. Really this is just kind of a little philosophical exploration, if you don't mind. And it does have a relationship to the legislative purposes.

Do you have any feeling that by comparison with the average wage earner in the United States that you have an unfair advantage in influencing political positions of candidates for office?

Mr. MOTT. Well, it depends upon your definition of fair. I think that if fairness is perceived as total equality, that Billy Graham has a similar unfair advantage over the average wage earner, and that anybody who is able to influence through their money or prestige or position more votes than someone else has an unequal advantage. But whether it is fair or not could get us into a long debate.

Mr. SANDERS. The issue that we are eventually going to be faced with, I think, is the public financing versus individual financing. And I was just interested in your view for the record as to whether you feel you would want to continue to justify your position that a person of your wealth could use it in an endeavor to influence the positions of Presidential candidates.

Mr. MOTT. Absolutely. And I also favor a more substantial public financing, and have been attracted to the Udall/Anderson type of proposal which provides for matching dollars between private sources and public sources. I think that some variation on that proposal would be very desirable. I don't think that we spend too much money in financing public elections. I think that the real abuse that has come about has been the failure to disclose the sources of money and the self-interest of the donors. And I defend George Spater's right to give $55,000 of his own money to American Airlines—but I think that anybody who gives over a certain de minimis amount of money, call it $1,000 or $5,000, should be required to file a report with the Federal Elections Commission as to in what fashion his company or his fortune can be affected or is being affected by Federal decisions or Federal regulations.

I recently had to sign the papers for application for a liquor license in connection with some stock that I invested in, distilling stock, and I had to go through all this business of filling out age, weight, color of hair, and eyes. And if our governmental agency can require that kind of data from me in connection with just an investment of stock, then I think it an appropriate function of the Federal Election Committee to require much more adequate disclosure than we found to date. And I think that the availability of this kind of information to the press will have a corrective influence on the abuses that have taken place this past year. I was just dismayed when I saw part of the disclosure requirement eliminated from an early version of the Senate bill. I think that we haven't gone far enough in the direction of disclosure. And the emphasis on putting a maximum ceiling on amounts that a candidate can spend or any donor can give is misplaced emphasis.

Mr. SANDERS. In Hodgkin's letter to me of October 4, he has listed expenditures for political activities other than by way of contributions to candidates. Would it be correct to assume that those figures include apportionment of your office expenses of such things as office rent?

Mr. MOTT. The expenditures include just what you have mentioned, plus personal travel and telephone calls, plus a few things that I bought directly, like the ads which I purchased in Pennsylvania and

Ohio. I purchased them dealing directly with the newspapers, since these were not sanctioned by the McGovern campaign. And I think I was one of only 10 or 20 people who complied with that section of the Campaign Finance Act requiring listings of personal expenditures.

And I think it is a shame to have allowed such individuals as Clement Stone, who is known to have rented the penthouse at the Playboy Hotel in Miami Beach, and who is known to have spent many hundreds of thousands of dollars, to go scot-free without any inquiry whatsoever as far as I know into the nature of his expenditures during the campaign—how he got away with it, and why the Justice Department is ignoring—and the GAO—ignoring the possibility of his expenditures, is a source of puzzlement. And I took the trouble to call the head office of Playboy in Chicago to find out, if I could, what the rental on that suite was, just to come up with some kind of figure as to whether it was paid for by combined insurance or by Clement Stone personally, to figure out whether in fact under the law he should have made a filing. And the indication was that it rented for well over a hundred dollars a day—and I believe the rule states that any expenditure in excess of a hundred dollars is to be reported.

I don't know of any way in which I can, through an independent law, sue Clement Stone to comply or force the Justice Department to act. But in the execution of that law, the GAO and the Justice Department just made a sham of it. And we took quite a bit of trouble to keep track of our records and make those filings.

Mr. SANDERS. Did you go to the extent of writing to GAO about that?

Mr. MOTT. I think so. But I asked a lawyer in Washington whom I worked with on corruption cases to look into it further, and I believe he did send a man around to the GAO, but I know of no action on it.

Mr. SANDERS. You made some reference to the use of your office space during the campaign by McGovern, volunteers or employees. Would this have been after the convention?

Mr. MOTT. No; it was both before and after.

Mr. SANDERS. Was this a particular operation that your space was used for, or was it just general usage?

Mr. MOTT. No; it was for financial, it was a subdivision of the National Finance Office.

Mr. SANDERS. Was it used for any other campaign operations?

Mr. MOTT. I don't think so.

Mr. SANDERS. I am just curious what the plus stands for on your stationery.

Mr. MOTT. The stationery was made up years ago. It is rather vague.

Mr. SANDERS. Mr. Costa.

Mr. COSTA. The only question I have is—I would just like to regress a little bit—you mentioned that you had written a letter to GAO inquiring about Clement Stone's disclosure.

Mr. MOTT. No; I suggested that this lawyer whom I worked with in Washington, whose name is Dobrovir, that he looked into it—whether or not he did write a memorandum to GAO I don't know.

Mr. COSTA. I see. OK.

One other question that has to do with your stock contributions. I don't know if it has been covered or not. Could you get into a little bit of the specifics as far as the details of making the contributions of stock? How was it done? Did Hodgkin take the stock and deliver it

to McGovern, and McGovern take it to a broker, or did Hodgkin do it through a broker, or how did that all come about?

Mr. MOTT. Since Hodgkin was deputized assistant treasurer of the campaign, I believe, he therefore had the capacity to act both on my behalf and on behalf of the campaign, and therefore could make a transfer of the stock from my account to the McGovern account, and in the same day instruct a broker to sell it for the McGovern account.

Mr. COSTA. Are you saying, then, that Hodgkin would be accounting as an agent for you and also for McGovern?

Mr. MOTT. I think that is the arrangement that was set up. And also for gifts of stock made by other people that were delivered to my office and sent to a brokerage house by John Hodgkin.

Mr. COSTA. Your technique in making these stock contributions, did you discuss this with, say, Marion Pearlman and Kimmelman on the appreciated technique?

Mr. MOTT. Absolutely.

Mr. COSTA. That is all I have.

Mr. DORSEN. Have you been able to locate the opinion letter from Mudge-Rose?

Mr. MOTT. I haven't been looking for it. I think this was an opinion letter from Lindsay's lawyer and one from Mike Feldman, and one from Stanley Whitehorn, and one from Mudge-Rose. And at this point I don't remember which one of those firms wrote an opinion on the question of capital gains liability on the appreciation and which wrote opinions on the liability for Government tax. We had several opinion letters floating around.

Mr. DORSEN. Do you think you might ask Mr. Hodgkin to check to see if you have a copy of the letter on appreciated property?

Mr. MOTT. Yes, I will.

Mr. DORSEN. Thank you. That is all.

Mr. MADIGAN. I only have a few more questions.

I would like to go into, if I could, a little more detail about this Sixtus Corp. Is that incorporated under New York State law?

Mr. MOTT. I think so.

Mr. MADIGAN. Who are the officers or stockholders of the corporation?

Mr. MOTT. I guess I was the sole stockholder. But I don't remember who were designated as the owners.

Mr. MADIGAN. Who designated them?

Mr. MOTT. Whenever I need to set up a corporation or a committee I usually leave that up to John Hodgkin to work out. We often have a discussion as to who the appropriate people would be. And then it is done. I didn't pay a lot of attention to that. I really didn't think it was going to make or lose a lot of money. I think about $8,000 or $10,000 was the total moneys that that corporation ever handled—and to my knowledge it is a defunct corporation as of today.

Mr. MADIGAN. Is it fair to say that it was really just you personally acting through a corporation?

Mr. MOTT. Oh, yes, definitely.

Mr. MADIGAN. There was really nobody else involved in it?

Mr. MOTT. Only insofar as Vern Newton was an employee of this corporation, and he had assigned any royalties or proceeds from writings to the Sixtus Corp.

Mr. MADIGAN. The payment for the production of this accountability project was done through your money, which was channeled through the Sixtus Corp.?

Mr. MOTT. I believe so.

Mr. MADIGAN. Your own personal funds?

Mr. MOTT. I think that Hodgkin—well, if he was keeping the books correctly, as I assumed him to have been doing, he made a transfer of about $10,000 to the Sixtus Corp. either in the form of stock or loan, and then paid for the salary and expenses of Vern Newton, and paid for the printing bill here, and paid for other expenses associated with it, out of the Sixtus Corp. funds.

Mr. MADIGAN. And the printing bill is the one you indicated you would make available with respect to the record?

Mr. MOTT. I should think it exists up in my office in New York, I haven't inquired about it.

Mr. MADIGAN. Could you make it available as well as copies of the ad that we have?

Mr. MOTT. Will you make a list of these things, Diane?

Mr. MADIGAN. I just wanted to get into a little more detail on the item that was given to you by the McGovern people which you indicated was the voting record, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. And is that pretty much reprinted in here under "Muskie, the Legislator," is that what you are talking about, that part of the project?

Mr. MOTT. At this juncture I don't remember which came from where, but I know some on this page No. 8 came from the biography on Muskie, and some of it came from the McGovern listing of Muskie votes, and some of it came from the Washington Post.

Mr. MADIGAN. Is "Muskie, the Legislator" the only part of this project in which you used the so-called voting record of Muskie that you received from the McGovern people, or did you use it throughout?

Mr. MOTT. On page 9 there is a reference to Muskie's voting against the ethics bills that came up in the years mentioned. And I believe that came from the McGovern files.

Mr. MADIGAN. In other words, you didn't just reproduce that and entitle it "Muskie, the Legislator," you used it as a source material for writing up your project?

Mr. MOTT. Yes. But I used it where it was appropriate, I just didn't use it in one place.

Mr. MADIGAN. Now, could you tell me exactly who you received that from? You mentioned Mankiewicz, Stearns and Hart. Which of those gave it to you?

Mr. MOTT. Ric Stearns.

Mr. MADIGAN. And did he give it to you—was it a typewritten document?

Mr. MOTT. I think it was, yes.

Mr. MADIGAN. And did it have a title on it, just a typewritten compilation?

Mr. MOTT. It probably had some title, like "Muskie's Voting Record on National Issues."

Mr. MADIGAN. Do you still have that document?

Mr. MOTT. I may, I am not sure.

Mr. MADIGAN. Could you produce it if you have it?

Mr. MOTT. I will try, yes.

Mr. MADIGAN. Are you familiar with an article that Stearns himself had written on this same matter?

Mr. MOTT. I don't remember. What are you referring to?

Mr. MADIGAN. I am asking you if you know whether or not Ric Stearns himself had written an article which is similar to some of the materials that are in this accountability project?

Mr. MOTT. I am not aware that he did. Did he?

Mr. MADIGAN. I believe he did. But as far as you are concerned, the only thing you received from him is his voting record, is that right? You have not read an article by Ric Stearns about Muskie or anything of that nature, or a project that he prepared himself?

Mr. MOTT. No. The extent of the file was what he gave me. And it included that article in either Horizon or American Heritage that talks about the Prestille River and Mr. Vahlsing. And I think that was it.

Mr. MADIGAN. And I take it that you told Stearns at the time that you accepted this document from him that you were going to produce something of this nature, the accountability project?

Mr. MOTT. Well, I didn't really have this particular document in mind.

Mr. MADIGAN. You told him you were going to engage in some kind of negative research and that the end product would be some kind of negative research document, is that right?

Mr. MOTT. In a vague way, yes. I wasn't explicitly committed to do anything in particular with it. I was going on a fishing expedition at first to see what there was.

Mr. MADIGAN. And as I understand your prior testimony, he didn't tell you to do it and he didn't tell you not to do it, is that right?

Mr. MOTT. That is right.

Mr. MADIGAN. And was he the only one when you mentioned these three that you specifically discussed this project with, or did you also discuss it with Mankiewicz and Hart?

Mr. MOTT. Well, I believe Gary Hart was aware of it. Mankiewicz and I talked about it once or twice at some length, but probably no more than 2 or 3 minutes at each conversation.

Mr. MADIGAN. Would this be prior to the actual distribution of it?

Mr. MOTT. Yes.

Mr. MADIGAN. And is it accurate that he falls into the same category as Stearns in that he did not tell you not to do it and he didn't encourage you to do it?

Mr. MOTT. That is right.

Mr. MADIGAN. And how about Hart, the same? Or didn't you have a conversation about it?

Mr. MOTT. I don't remember having any specific conversation with Hart about it, no.

Mr. MADIGAN. As far as the distribution of this goes, am I correct that you sent it to the Wisconsin McGovern headquarters prior to the Wisconsin primary?

Mr. MOTT. Yes.

Mr. MADIGAN. Did you also send it to the national headquarters?

Mr. MOTT. Yes. Lindsay and the list I mentioned.

Mr. MADIGAN. Did you make inquiries to the national headquarters about having them get it out, assisting you in getting it distributed?

Mr. MOTT. I asked them to do it. It was altogether voluntary on their part as to whether they would or not, whether they thought it was a useful document. They hadn't seen the document until it landed in Wisconsin.

Mr. MADIGAN. Did they assist you in getting it out once they saw it?

Mr. MOTT. As far as I know they did, unless it just got buried in the avalanche of papers that were floating around at that time. But I really didn't take the trouble to follow up and call several dozen addresses in Wisconsin to which it was mailed to find out whether in fact they used it.

Mr. MADIGAN. Did you take the trouble to call the national headquarters and ask them whether they had distributed it or anything along those lines?

Mr. MOTT. I believe I talked to the State coordinator in Wisconsin, whose name I forget, and asked whether he thought it was useful, and whether it was in fact distributed. And I think it arrived there maybe 1 week before the actual primary day. And I think the answer I got was fairly noncommittal, saying, we will make sure it gets out to our storefront or something like that.

Mr. MADIGAN. You felt rather strongly that it should get out and should get out before the primary, is that right?

Mr. MOTT. Yes.

Mr. MADIGAN. And did you convey that by means of telephone conversations to anybody in the national headquarters, Hart or Mankiewicz or Stearns?

Mr. MOTT. I probably did, but I don't remember specifically whether I did.

Mr. MADIGAN. Is your answer that you don't remember whether you called them and asked them to hurry up and get it out, or what efforts they were making to get the thing out to people, or things of that nature?

Mr. MOTT. I don't remember any specific conversations.

Mr. MADIGAN. Do you remember inquiring at the national headquarters?

Mr. MOTT. All I can say is that I probably did.

Mr. MADIGAN. After the Wisconsin primary did you make inquiries to determine how widely your piece had been distributed or whether it had been distributed at all?

Mr. MOTT. In a casual way, yes, I think I asked both the Lindsay and McGovern people, did you find it useful, or what did you think of it. And I don't recall exactly what they said.

Mr. MADIGAN. Since you discussed it with Hart and Mankiewicz, didn't you ask them what they thought of it after you put all that time into producing it?

Mr. MOTT. Yes. I think that the response was general approval. I don't believe anybody else had taken the trouble to put this kind of information together in one place, and it was a handy place to find this negative information. But by the post-Wisconsin period it seemed that Muskie was no longer a terribly relevant factor in the campaign, his image as front runner had slipped so much that they weren't focusing on Muskie at that juncture.

Mr. MADIGAN. Am I clear that you are sure that it was before the Wisconsin primary that this came out, and not earlier? Or are you guessing about that? I mean the "Muskie Accountability Project."

Mr. MOTT. It was in production at the time of the Florida primary, but it wasn't ready for distribution.

Mr. Madigan. It definitely didn't come out in the New Hampshire primary?

Mr. MOTT. No. We were too late for the Illinois primary. And the dates slip my memory as to which—wasn't New Hampshire the 7th and Florida the 14th and Illinois the 21st or the 28th? I don't remember.

Mr. MADIGAN. I think that is right, around that time.

Mr. MOTT. But we were too late for the Illinois. I am referring only to this document.

Mr. MADIGAN. The "Muskie Accountability Project," right? That is what I am referring to.

Mr. MOTT. I used that name on other things.

Mr. MADIGAN. OK, we are referring to the "Muskie Accountability Project" that has the red print on the front that says, "Why Doesn't Muskie Tell the Truth?"

Mr. MOTT. Right. This 24-page document.

Mr. MADIGAN. With respect to these negative ads, did you receive any information or request from Hart or Mankiewicz or Stearns not to run those ads?

Mr. MOTT. Well, I recall getting comments from them after the ads saying that they thought my tone was a little harsh on the ad that ran in Florida. And I think on the ad that quoted the Wall Street Journal—I say they because I don't remember who I talked to—that people in the McGovern campaign thought it was a good ad, and well stated, and timely.

Mr. MADIGAN. This is the Wall Street Journal ad you are talking about?

Mr. MOTT. It was an ad that used a quote from the Wall Street Journal.

Mr. MADIGAN. Could you describe that in the record so we will know what ad it is?

Mr. MOTT. Well, it is an ad that appeared in the New York Times Weekend Review, Sunday, March 5, on page 5.

Mr. MADIGAN. Now, they thought that was a good ad. Did they ever specifically tell you to stop producing these ads or request you to stop producing these ads?

Mr. MOTT. No.

Mr. MADIGAN. I know I have discussed this before, but I wonder if we could get just a little bit better estimate about when it was that you went to Hart and Mankiewicz and Stearns and discussed the production of a negative campaign document.

Mr. MOTT. Well, there was no single moment in which a single decision was reached to do the whole thing. It was evolutionary. There was no meeting at which the four of us conferred.

Mr. MADIGAN. Let me make it a little more specific. Why don't we try the time at which you were given this voting record by Stearns?

Mr. MOTT. Well, as I said earlier, I suppose by checking my account I could figure out when I was in Washington, because I remember

picking it up myself at the McGovern campaign headquarters. I would guess it would be in late January.

Mr. MADIGAN. 1972? Could you check that for us?

Mr. MOTT. Yes.

Mr. MADIGAN. Just a couple of more questions about the document itself. On pages 15 and 16, I guess running all the way over to part of 17, do I understand your testimony here to be that you compiled all this research yourself?

Mr. MOTT. Some of it was with the help of Vern Newton.

Mr. MADIGAN. You didn't obtain this from any other sources, that is, another document that someone else had done, or a research project that was given to you or anything like this, it is all your own work along with Mr. Newton?

Mr. MOTT. Yes.

Mr. MADIGAN. With respect to the Muskie draft dodger page there, page 5, where did you obtain the information that Ed Muskie's grandfather was determined—that Stephen Marciszewski should leave Poland before he was drafted?

Mr. MOTT. That was from Lippman-Hansen book.

Mr. MADIGAN. In that book they indicated that that is what Muskie's grandfather said, they indicated that they had read something or interviewed somebody?

Mr. MOTT. Well, it was a sanctioned biography. And I suppose that they got it from Ed Muskie himself or his mother.

Mr. MADIGAN. With respect to the truthfulness of the document, I take it you still subscribe to the places on pages 3 and 14 where you called Senator Muskie a liar, is that right?

Mr. MOTT. Page 3 was regarding his Vietnam voting record, and the fraudulent claims that he was making about it, and page 4 regarding the purpose of his Senate campaign funds.

Mr. MADIGAN. More specifically, page 14, "confronted with his lies," and on page 3, the places that you indicated that he was a liar, you stand by that as being a true statement, both of them?

Mr. MOTT. Yes.

Mr. MADIGAN. That he was lying about those particular items?

Mr. MOTT. Yes.

Mr. MADIGAN. That is all.

Mr. SANDERS. I have just another half a dozen questions, and I hope this will finish it then.

Could we be furnished at some later time, perhaps, the names of the persons in Wisconsin to whom you sent batches of that document?

Mr. MOTT. If I can find them. By the way, I sent them also to all the press in Wisconsin, newspaper, radio, and TV; I can at least supply you with the categories of people—whether I can supply you with the names of individuals, I don't know.

Mr. SANDERS. I think we have got a sufficient explanation of categories. I was wondering if you had the names of the McGovern people and the Lindsay people in Wisconsin to whom that was sent—we would like to have it.

Mr. MOTT. OK.

Mr. SANDERS. Would it be fair to say that inasmuch as you sent very small numbers to those persons that you fully expected the document would be further reproduced by them to make effective use of it?

Mr. MOTT. Well, either that or that they would excerpt from it whatever they thought was useful, and maybe take some information and put it into locally produced print. Everybody had his little print-shop running at that time, and if they throught the political issue in Oshkosh was important, then they could print it. Whether they did this I don't know.

Mr. SANDERS. Do you believe that the project had any impact in the decline of Muskie?

Mr. MOTT. I don't believe that the 24-page document had much of an influence in the Wisconsin race. However, I have been told by a variety of people who worked inside the Muskie campaign, and journalists who traveled with it, that of the 20 or so reasons for Muskie's decline, that campaign finance and his failure to disclose were among the top 2 or 3. And I know that I put the question to him more severely and more embarrassingly than any other person. And I know that, because of what I did in alerting the press to his evasions and lies in connection with his finances, that I provoked some of the reporters who kept peppering him with questions, and that he really got very embarrassed about it, to the point that there was a meeting in mid-March sometimes, I think, between—I think I can date it—I think it was about Wednesday following the New Hampshire primary when there was a meeting of the finance people in New York, and Arnold Picker and Beryl Bernard were there with Muskie and they evaded the question as to whether Muskie would make a disclosure. And it was widely rumored that some people were just flatly not going to give to the Muskie campaign if their donations were publicly announced. And other people were asking for their money back if he were to proceed with a disclosure. And the campaign did not have a strong flow of money coming to it at that moment in time. And he was very visibly discomfited by the money issue. And if you look at the headlines during that week or 10 days following the New Hampshire—"will he or won't he" debating, most everywhere—and I'm glad that I made that small contribution to the quality of politics in the 1972 race. And I regretted doing it to a Senator whom I might otherwise support as a U.S. Senator. But I didn't think he should be the standard bearer of the Democratic party in the Presidential race if he couldn't come to terms with campaign finances.

Mr. SANDERS. Your total assessment then, is that it did have a significant impact—

Mr. MOTT. On one aspect of the Muskie campaign.

Mr. SANDERS. You mentioned a Wednesday following the New Hampshire primary. Would this 24-page document then have been issued before that date?

Mr. MOTT. No. That occurred in that meeting of the financiers with Muskie—occurred in New York on March 8, the Wednesday after the New Hampshire primary.

Mr. SANDERS. I thought you were saying that this 24-page document somehow precipitated that meeting.

Mr. MOTT. You see, my focus on the Muskie campaign finances began early in February. And I began sending out memos pretty much limited to the press in preparing some ads which—this one I thought was the simplest and maybe the best [exhibiting full-page newspaper ad].

If you want to put it in:

Democratic front-runner trying to shun risky positions on issues encounters growing demand from rival to get more specific—Sunday night the TV debating sharpens his problem. Muskie's emotional outburst in New Hampshire last week disturbs even his own supporters. Senator does not reveal contributors' names as McGovern demands. Gifts from Republican defense contributors would dry up. One comment on Muskie's approach to issues, you could only straddle so long before you get a hernia.

This is a verbatim quote from the Wall Street Journal.

This plus other ads that I took in Wisconsin, Illinois, and Florida, during that week—and I gave you copies of some of the texts of the ads—not the ads themselves —really focused even more than this on the disclosure question. And this activity preceded the production of the 24-page document you referred to.

Mr. SANDERS. Did your name appear on that ad as an individual?

Mr. MOTT. Yes.

Mr. SANDERS. Did you cause any ads to be placed during the 1972 Presidential campaign wherein your name was not shown as a sponsor?

Mr. MOTT. No.

Mr. SANDERS. Are you aware of any contributions to the McGovern campaign in excess of $10,000 in the aggregate which resulted from solicitations of other persons by you?

Mr. MOTT. Yes.

Mr. SANDERS. Many?

Mr. MOTT. A couple of dozen where I had some input, they didn't result solely from my solicitations, but my solicitation in conjunction with others like Henry Kimmelman. We were in continuous dialog with major donors.

Mr. SANDERS. What I wanted to clarify is whether you were playing some active role in soliciting of others?

Mr. MOTT. Absolutely.

Mr. SANDERS. No further questions.

Mr. DORSEN. No further questions.

Mr. MADIGAN. Just a couple.

Had you contributed substantially to Senator McGovern's campaign prior to the distribution of this Muskie accountability project with the red writing on the front?

Mr. MOTT. I gave $5,000 to the McGovern campaign in January of 1971. I loaned on a short-term basis moneys for the direct mail effort during December and then again during March. But I did not make any major gifts, I mean in excess of $5,000, until mid-April.

Mr. MADIGAN. 1972?

Mr. MOTT. Yes.

Mr. MADIGAN. I took it from your discussion with Don that you felt that—let me put it this way. Would it be fair to say that you were more or less proud of your part in this accountability project with respect to the financing which is entitled "Documentation Confirming the Lies?"

Mr. MOTT. Yes, it took a great deal of work and research to pull that information together. I am proud that I raised the issue, and that the press cottoned down to it, at least partially. And the more——

Mr. MADIGAN. I'm not talking about the issue, now, I'm talking about the part of this article entitled "Documentation of the Lies," which has to do with the financing issue.

Mr. MOTT. This document and these pages didn't have a huge effect in terms of election results. But the work that immediately preceded this I think did.

Mr. MADIGAN. Which is of the same nature?

Mr. MOTT. We——

Mr. MADIGAN. That he was lying about his financing?

Mr. MOTT. Yes.

Mr. MADIGAN. That is all.

Mr. SANDERS. I think that concludes the interview, unless there is anything you would like to add, in any vein.

That is all. We thank you for cooperating with us.

[Whereupon, at 1:15 p.m., the committee adjourned, subject to the call of the Chair.]

ATTACHMENT NO. 1

DUTTON, GWIRTZMAN, ZUMAS, WISE & FREY
1225 NINETEENTH STREET, N. W.
WASHINGTON, D. C. 20036

FREDERICK G. DUTTON
MILTON S. GWIRTZMAN
NICHOLAS H. ZUMAS
EDMUND N. WISE
ANDREW L. FREY
OF COUNSEL
HOWARD G. GAMSER

(202) 223-4455
CABLE ADDRESS: "FEDERAL"

March 29, 1972

Muskie Accountability Project
Room 4200
515 Madison Avenue
New York, New York

Dear Accountability Project:

Thank you for sending me your most recent publication, "Why Doesn't Muskie Tell the Truth?"

On page 15, under the heading "Documentation Confirming the Lies," you use my name, and the fact of my financial contribution to Senator Muskie, to indicate that "every shred of evidence on the record proves that the 1970 'Muskie election committee' was solely a Senate re-election committee, and funds were supposedly raised for that purpose only." At the bottom of the same page, you state that "every dime that MEC raised in 1970 was primarily for Muskie's 1970 re-election. The record is abundantly, convincingly clear."

Since you have used my name in documentation, without asking me whether the assertion is correct, I wish respectfully to point out that my contribution to Senator Muskie in February 1970 was made solely and exclusively for the purpose of advancing his presidential campaign. I realised, as did every reader of the newspapers, polls and columns, that Senator Muskie was gearing up for a Presidential race in 1972, and that costs were being incurred that would have to be met by contributions. This was fully demonstrated in a front page article in the Washington Post on August 30, 1970, by David Broder headlined "Cool Ed Muskie Gears for 1972." In that article Mr. Broder reported that Senator Muskie had made his presidential intentions clear, had stumped 45 states within the past 17 months and was spending $8,000 a month to staff a national headquarters

in Washington. Mr. Broder reported that myself and others who had been active in previous campaigns for Democratic candidates were now supporting and contributing to Senator Muskie.

On page 16 of your document, under the head Reaction To The Muskie Lies, you state "donors were immediately contacted and asked 'Did you intend your 1970 gift to go toward Muskie's presidential campaign?'" No one contacted me. If they had, my answer would have been "Yes."

Mr. Broder's article, and many others, were clear indication at the time of Senator Muskie's intentions. It is difficult for your committee to try to create the fiction that the Senator was not running for president in 1970, when every newspaper, and every poll and every editorial writer assumed that he was.

The fact that Senator Muskie said he was not a candidate was accepted by everyone for what it was: that traditional disclaimer of candidacy, practiced by almost all presidential contenders since Lincoln's day. In the absence of compelling reasons for an early declaration, such as Senator McGovern had, candidates deny their official candidacy until the fall of the year preceding the election, or even longer. This is done in large part today because under the equal time provision of the Federal Communications Act, declared candidates are denied access to free radio and television time. You may recall that President Kennedy, interviewed on Meet the Press in January 1960, was asked by the late William Lawrence "How many votes will you have on the first ballot?" He replied that he was not a candidate for the Presidency.

Never Done

Because you chose to single me out in your presentation, I hope that, in the interest of fairness, you will send a copy of this letter to all the individuals, newspapers and radio and television studios to whom you have sent your document, so that the record, at least in my case, can be corrected.

Very truly yours,

Milton S. Gwirtzman

MSG/dgs

ATTACHMENT NO. 2

DISGUSTING

THE SECRET MONEY IN PRESIDENTIAL POLITICS

AMONG THE VARIOUS EVILS OF PRESIDENTIAL POLITICS, THE EXISTENCE OF SECRET MONEY IS PROBABLY THE MOST DISGUSTING.
CAMPAIGN DONATIONS ARE GIVEN UNDER-THE-TABLE TO PROTECT THE IDENTITY OF DONORS WITH SPECIAL SELFISH INTERESTS.
PRESIDENTIAL CANDIDATES — AND THEIR POLICIES — ARE BOUGHT AND SOLD BY THE BIG-MONEY PEOPLE. IT IS CORRUPTION OF THE WORST KIND.
IN THIS PRESENT CAMPAIGN, THERE ARE FOUR DIFFERENT KINDS OF CANDIDATE:

(1) THE CANDID CANDIDATES, NAMELY CHISHOLM, LINDSAY, MCCARTHY, MCCLOSKEY, AND MCGOVERN. THEY HAVE ALL AGREED TO MAKE A FULL VOLUNTARY DISCLOSURE OF THEIR MONEY SOURCES. THEY ARE NOT EMBARRASSED TO IDENTIFY THEIR BACKERS. THEY BELIEVE IN "HONESTY IN POLITICS."

(2) THE SILENT CANDIDATES, SUCH AS ASHBROOK, HARTKE, HUMPHREY, JACKSON, MILLS, WALLACE, AND YORTY. THEY'RE KEEPING QUIET ABOUT THEIR CURRENT MONEY — IT'S ANYBODY'S GUESS AS TO WHERE IT'S COMING FROM. PROBABLY FAT-CATS WHO HAVE A SUBSTANTIAL SELF-INTEREST IN ELECTING THEM. MAYBE DEFENSE CONTRACTORS, OIL PRODUCERS, OR REAL ESTATE OPERATORS. WHO KNOWS?
THEY THEMSELVES KNOW, BUT THEY CERTAINLY DON'T WANT THE VOTING PUBLIC TO KNOW. SO WE'RE LEFT TO USE OUR IMAGINATION. THE UNDERWORLD? GOOD GRIEF — BUT WHO KNOWS?

(3) THE CORRUPT CANDIDATE, AND THE EPITOME OF THIS IS RICHARD NIXON. HE BLATANTLY HELPED HIS BROTHER DON GET A $205,000 HAND-OUT FROM HOWARD HUGHES IN SOME POLITICAL SHENANIGANS. LAST YEAR NIXON'S REPUBLICAN NATIONAL COMMITTEE HUSTLED SOME $322,500 FROM THE DAIRY FARMERS IN EXCHANGE FOR RIGGED INCREASES IN THE PRICE OF MILK. AND THE LATEST IS THE $400,000 PROMISE FROM I.T.T. WHICH NIXON'S LEGAL BEAGLES APPARENTLY HELPED TO SOLICIT.
THANK GOODNESS FOR RALPH NADER, JACK ANDERSON, AND THE SENATE JUDICIARY COMMITTEE — OTHERWISE WE MIGHT NEVER HAVE KNOWN ABOUT THESE THOROUGHLY CORRUPT POLITICAL DEEDS.

(4) PERHAPS THE WORST CATEGORY IS THE DECEITFUL CANDIDATE — AND EDMUND MUSKIE FITS THAT DESCRIPTION PERFECTLY. THE MAINE SENATOR SAYS HE'S IN FAVOR OF DISCLOSURE, BUT HE HASN'T REPORTED ANYTHING SINCE HIS 1970 SENATE RACE.
HE TOLD NEW HAMPSHIRE VOTERS LAST SUNDAY THAT HE HAS ALREADY DISCLOSED HIS MONEY SOURCES — AND THAT'S A LIE. NOT ONE DIME HAS BEEN REPORTED FOR THE PAST 17 MONTHS, THOUGH HE HAS ALLEGEDLY RECEIVED SOME $3-4,000,000 SINCE.
MUSKIE SAYS HE HAS NOTHING TO HIDE, BUT THE AUTHORITATIVE WALL STREET JOURNAL STATES THAT HE'S GETTING DOUGH FROM REPUBLICAN DEFENSE CONTRACTORS.
TWO WEEKS AGO TODAY, HE TOLD A TAMPA AUDIENCE THAT HE WASN'T REPORTING HIS MONEY BECAUSE "YOU WOULDN'T WANT ME TO BREAK THE LAW, WOULD YOU?" WHAT A SHAM — HE HIMSELF KNOWS THAT IT WOULD BREAK NO LAW TO TELL THE TRUTH.
WORST OF ALL, TWO MONTHS AGO, HE COMMITTED THAT IF HE WERE TO MAKE A FULL VOLUNTARY DISCLOSURE, HE'D BE "OUT OF THE RACE." AND THAT'S THE MAN WHO ASKS US TO "TRUST MUSKIE."

FLORIDA VOTERS — AND ALL U.S. VOTERS — HAVE A RIGHT TO KNOW WHETHER CANDIDATES ARE ALREADY SOLD OUT TO SELFISH FINANCIAL INTERESTS. UNFORTUNATELY, THE PECULIARITIES OF FLORIDA LAW REQUIRE REPORTS ONLY 45 DAYS AFTER THE PRIMARY HAS BEEN WON — OR LOST.
IF YOU CARE ABOUT THIS ISSUE, IF CORRUPTION IN POLITICS WORRIES YOU, THEN PLEASE TEAR OUT THIS ADVERTISEMENT AND TAKE IT WITH YOU TO THE POLLS NEXT TUESDAY.

THIS PUBLIC SERVICE ANNOUNCEMENT IS SPONSORED AND PAID FOR BY:

COMMITTEE FOR HONESTY IN POLITICS

STEWART R. MOTT, CHAIRMAN — 515 MADISON AVENUE, NEW YORK N.Y. 10022

P.S. THIS COMMITTEE IS SUPPORTED BY MANY CONCERNED CITIZENS WHO WOULD LIKE TO RESTORE CONFIDENCE IN THE POLITICAL SYSTEM AND ASSURE HONESTY IN POLITICS. IF YOU WOULD LIKE TO ASSIST OUR WORK, PLEASE SEND YOUR DONATION AND COMMENTS TO THE ABOVE ADDRESS.
JOYCE SELCER
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475 PARK AVE. SOUTH 10016
NEW YORK N.Y.

With Order

Railroad' Owner
Contempt Charg

shippers, many of them pulpwood dealers who sent their wood chip products to paper mills in Port St. Joe and Panama City, and joined in by the Interstate Commerce Commission.

The ICC charged that Bonanno purchased the railroad last year when it was in poor financial condition and intended not to rehabilitate it but to use the railway as a depot for repairing boxcars owned by other corporations.

Bonanno rolled the cars in from the North, primarily from the Pennsylvania and Maryland Railroad, and used the M&B's tracks for the lucrative repair business, said the ICC.

Carpenters were cheap, only $1.65 an hour, and could be paid from M&B funds. The weather was uniformly good and profits were to be made on the expense in bringing the cars to Florida from the North, the government said.

Middlebrooks found this presence of foreign boxcars resulted in a "diminution of service" by the M&B. At one time, the ICC contended, there were 110 boxcars awaiting or undergoing repair, so many that traffic on the short strip of track was blocked.

The judge ruled, "Mr. Bonanno is prohibited from allowing work on these (foreign boxcars) from interfering with the repairs of the railroad."

He ordered Bonanno to repair or replace defective cross-ties, rails, roadbeds, culverts, trestles and bridges as needed. "There will be no fine if these things are done," he said.

The plaintiffs had contended that the lower quality of service by the M&B had depressed business in the area. J. Lewis Hall of Tallahassee, an attorney for the shippers, said one firm went out of business and another was forced to ship by truck.

In an emotional plea in his own behalf, Bonanno characterized his plight as that of a man who came into north Florida wanting to help its citizens. If he had only wanted to repair boxcars, he said, "I wouldn't have put the amount of money into the railroad that I have."

He said there was "no action, no shippers" when he moved in last fall, and he had worked hard to stimulate business. "I frankly felt that I was doing some good," Bonanno declared.

"I thought I was doing right," he said, beginning to cry.

Local Residents Attend Dinner For Senator Jackson

U.S. Sen. Henry (Scoop) Jackson (D-Wash), was given a warm welcome during a dinner held last week at the Sheraton Inn, Fort Myers.

Collier County representatives at the dinner were: Mr. and Mrs. Robert Denvir, Mr. and Mrs. George Doll, Mr. and Mrs. Henry DeWilde, Larry Goddard and Mrs. Cord Meyer.

In his talk, Jackson said economy, inflation and

NOTICE
[illegible]
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TARPON VILLAGE
A PURE *Condominium on the beautiful Isles of Capri!*
Pre-construction prices still prevail from [illegible]
A unique development on Tarpon Point surrounded by navigable water
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WEEKDAYS 9 A.M. to 9 P.M.
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each Federal and State

Please do NOT vote for Humphrey or Muskie.

HERE'S WHY.

The war in Indo-China is the greatest waste of resources our country has ever indulged in. Over 55,000 fine young Americans killed. Over 120 billion of our tax dollars gone. A national tragedy beyond measure.

In 1968, Humphrey and Muskie, as candidates, had their chance to voice opposition to our disastrous actions in Vietnam. But they remained silent—and they lost the election.

In 1971, just six months ago, Humphrey and Muskie had still another chance, when the Senate voted on a measure to end Nixon's inhuman "air war." But Humphrey and Muskie voted against that measure. Voted, in effect, to continue dropping our bombs and napalm on innocent villagers in Cambodia, Laos and Vietnam.

Will the war never end? A vote for Humphrey or Muskie is a vote to pursue Nixon's grossly destructive policy.

Would you vote for that policy? Could you vote for men who have supported it?

Think it over. There is a choice, you know.

Vote for George McGovern on April 25.

This announcement is sponsored as a public service and paid for by Stewart R. Mott, 515 Madison Ave., N.Y. C. 10022

If you agree that another four years of Vietnam would be a disaster for our nation, please help to elect GEORGE McGOVERN. I've already sent my donation, will you?

Send your donation to:
McGovern for President
1423 Walnut St., Phila., 19102

Name_____

Address_____

City_____

State_____ Zip_____

ATTACHMENT NO. 3

stewart rawlings mott
and associates

suite 4200 • 515 madison avenue
new york 10022 • (212) 421-2155

October 4,1973

Senate Select Committee on Presidential Campaign Activities
G 308 New Senate Office Building
Washington, D.C.

ATTENTION: DONALD G. SANDERS

Dear Don,

I refer to my letter of September 26th, which I now find was incomplete. Kindly destroy it and replace it with this letter.

Mr. Mott's Presidential contributions for the period July 1,1971 through December 31,1972 are as follows:

McGovern	$280,098.30
Lindsay	$5,000.00
McCloskey	$6,000.00
McCarthy	$4,937.50
Chisholm	$2,100.00

In addition, Mr. Mott contributed $5,000 toward Senator McGovern's Presidential campaign in 1971 prior to July 1.

Furthermore, Mr. Mott supported various political activities by direct expenditures as reported on Form 3 filed as follows:

June 22,1972	$27,391.43
June 23,1972	4,554.75
July 5,1972	7,258.14
Sept. 7,1972	8,449.36
Oct. 18,1972	4,157.07
Oct. 31,1972	1,040.00
Jan. 29,1973	7,893.40

Of these a majority were directed towards Senator McGovern's campaign, but it is not possible to make an accurate breakdown.

Should you require anything additional please let me know.

Sincerely,

John P. Hodgkin

THURSDAY, OCTOBER 18, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 7 p.m. in room G–334, Dirksen Senate Office Building.

Present: Donald Sanders, deputy minority counsel; Richard O'Hanlon, and Robert Costa, investigators.

STATEMENT OF MILES L. RUBIN, ACCOMPANIED BY JOSEPH RAUH, COUNSEL

Mr. SANDERS. Would you state your full name, please?

Mr. RUBIN. Miles L. Rubin.

Mr. SANDERS. Would you state your home address?

Mr. RUBIN. 77 Malibu Colony, Malibu, Calif. 90265.

Mr. SANDERS. Your office address?

Mr. RUBIN. 521 Park Avenue, New York, N.Y. 10022.

Mr. SANDERS. What is your principal business connection, Mr. Rubin?

Mr. RUBIN. I am an officer of Pioneer Systems, a diversified manufacturing corporation and its affiliated companies.

Mr. SANDERS. What is the position you hold?

Mr. RUBIN. I am chairman of the board of Pioneer and chairman of the board of Optical Systems, which is a subsidiary of Pioneer.

Mr. SANDERS. Did you engage in activity in the Presidential campaign of Senator McGovern in 1972?

Mr. RUBIN. Yes, I did.

Mr. SANDERS. I should have said did you commence any such activity in 1971?

Mr. RUBIN. No, I met Senator McGovern in 1971.

Mr. SANDERS. What was the approximate time when you joined the campaign?

Mr. RUBIN. I operated as a volunteer in the campaign starting in about February, I would say early February of 1972.

Mr. SANDERS. From that time on, were you spending full time on the campaign?

Mr. RUBIN. No, I was not.

Mr. SANDERS. Was there any point in the campaign when you were working full time?

Mr. RUBIN. No, not really, although I did spend a great deal of time in Washington for the campaign during the period about three months prior to the election. I spent two-thirds of my time here, that is a rough estimate, and I rented a house in Washington and rented my house in California, so I was a resident here in Washington.

Mr. SANDERS. Did you continue to work for the campaign up until the election?

Mr. RUBIN. I was active in the campaign pretty much up to election day.

33-650 O - 74 - 27 (Book 25)

Mr. SANDERS. What position, or successive positions, did you hold in the campaign?

Mr. RUBIN. I was finance chairman, special gifts. Sometimes it is called special gifts.

Mr. SANDERS. Was that the only position that you held that had any sort of formal title to it?

Mr. RUBIN. Yes.

Mr. SANDERS. When did you assume this position? Not in February, I would gather?

Mr. RUBIN. When was the convention?

Mr. RAUH. The middle of July.

Mr. RUBIN. About the end of July of 1972, pretty soon after the Democratic Convention.

Mr. SANDERS. Did you continue to serve in that capacity until the election?

Mr. RUBIN. Yes.

Mr. SANDERS. Can you explain how you came to be associated with the McGovern campaign in February?

Mr. RUBIN. Yes, I originally met Senator McGovern in August—in July or August of 1971—he was on a trip to California and he had been invited to speak to a group in California in Malibu. The home the function was planned for was not large enough, so my wife agreed to have the meeting at our house at that time. And I spent 2 or 3 hours with him prior to the meeting and told him I wanted to do something in the campaign.

Mr. SANDERS. Had you been in any way instrumental in his appearance in Malibu on that occasion?

Mr. RUBIN. No, I did not know him before then.

Mr. SANDERS. Were you active in local politics in Malibu?

Mr. RUBIN. No, at that time I told him I would support him financially. In about November of that year, in response to a request from Frank Mankiewicz, I made a contribution to the campaign, to his Presidential campaign. After making that initial contribution, I got a number of additional phone calls. I guess around January I spoke to Frank Mankiewicz again, they were looking for additional financial support and I wanted to take a look at what they were doing in New Hampshire. I was going up skiing with my wife, at my wife's brother-in-law's home in New Hampshire. When we were up there, I dropped in at the campaign headquarters in Manchester, I would say late January or early February, somewhere in that period of time, it seemed to me that the campaign could use some volunteers, active volunteers, it seemed to me. They were in need of some help at that time. After I was there, I talked to Frank and I said I was going to try to take a vacation and spend some time up in New Hampshire for you as a volunteer, particularly with the student organizations which seemed to me to be organized, that is how I got involved.

Then I went back to New Hampshire about a week later and stayed in New Hampshire from that time. I did stay there off and on, from that time through March, the first week in March, which was when the New Hampshire primary was, I would say I was there about 3 weeks, off and on between New York, between my office in New York and New Hampshire.

Mr. SANDERS. Up until the time of the New Hampshire primary, can you state how much you contributed to the McGovern campaign?

Mr. RUBIN. I mentioned that I had given contributions in September of 1971, that was two $5,000 contributions and a $2,500 contribution, which was $12,500.

Mr. SANDERS. All in September?

Mr. RUBIN. In September, yes.

And I believe I contributed $1,000 to a luncheon, or a dinner in 1971.

Mr. SANDERS. You said in November, you had a request?

Mr. RUBIN. I did not contribute.

Mr. SANDERS. In 1971, your contributions were $13,000?

Mr. RUBIN. Something like that. I asked my tax people yesterday what I had contributed. I have a total figure, but I do not have it broken down by years. That would be approximately right, within $500 or $1,000.

Mr. SANDERS. Were all of the 1971 contributions in the form of a check?

Mr. RUBIN. Yes.

Mr. SANDERS. No stock?

Mr. RUBIN. No.

Mr. SANDERS. No cash?

Mr. RUBIN. I did not contribute any stock.

Mr. SANDERS. No cash?

Mr. RUBIN. No.

Mr. SANDERS. In 1972, then, up until the time of the New Hampshire primary, can you estimate your expenditures on behalf of the McGovern campaign, to or on behalf of the McGovern campaign?

Mr. RUBIN. Up until the primary.

Mr. SANDERS. Yes.

Mr. RUBIN. Through the primary?

Mr. SANDERS. Through the New Hampshire primary.

Mr. RUBIN. Yes, about $35,000, or slightly more, $1,000 or $2,000 more; again, I do not have a breakdown by that date; that is approximately $35,000.

Mr. SANDERS. In what form would this have been transmitted to the McGovern campaign?

Mr. RUBIN. There were four—let me see, four contributions of $5,000 each to various McGovern campaigns. I do not know whether this money stayed in New Hampshire or not. I contributed it while I was there. It was four $5,000 contributions, then there was a total of $15,000 that I expended on behalf of the campaign while I was in New Hampshire or traveling to or from New Hampshire, it was actually, I think, $14,800-odd. My accountants rounded it off to $15,000 in my gift tax return. That money was spent for airplane tickets for clerical help; copying of telephone numbers from telephone directories, that was a large item; the student organization I think was about $2,500 in total which were cash contributions, on election day rent-a-cars, which was money I gave to the campaign. You know, these were amounts I gave to the campaign. The total amount of cash was between $5,500 and $5,900, somewhere around there.

Mr. SANDERS. That would have been money expended in the form of cash for travel? For services?

Mr. RUBIN. My travel was by check, personal checks. That would be for student organizers; I think probably the biggest single item was rental cars, that were rented.

At that time the New Hampshire primary had the problem of not having enough credit cards, and they could not get any checks cashed. If they got a check, it took them a week or so to get the money for it because of local banks being afraid that the checks might bounce. So that they, I think, they had to send the money to Washington, I am not sure of that procedure, I think the money would go to Washington, and then come back.

Mr. SANDERS. When you say cash for student organizers, this was in the nature of a salary?

Mr. RUBIN. No, there were five fellows working in the student organization who were people that I knew. I knew one of them from California, who is an attorney in California whom I had met when he had formed a Public Interest Law Center in Los Angeles, who had been very active in UCLA and student organizations. I thought they could use some help. I did not know anything about organizing campuses and I spoke to him and got him to take off for 2 weeks and fly out, and he brought some students with him. The airplane tickets I mentioned I paid for were their airplane tickets. As they had expenses, as I recall, a couple brought sleeping bags and slept in a car, a couple of them were sleeping in a hotel.

Mr. SANDERS. You were paying their expenses of living and traveling?

Mr. RUBIN. Right.

Mr. SANDERS. They were not really salaried then?

Mr. RUBIN. No, they were not.

Mr. SANDERS. What was the nature of any of the records that you kept of the disbursement of this sum of cash?

Mr. RUBIN. I did not keep any record. I knew how much cash I had because I cashed the checks to get the cash.

Sometime afterwards, I sent a note to my accountant telling him I had spent approximately the amount that I cashed the checks for. When I was in New Hampshire, I cashed checks for $7,500, during about the last 10 days of the campaign, I did not spend all that money for the campaign and I left New Hampshire with money in my pocket. I had my wife up there skiing again, for a couple of days, I had some personal expenses, I knew what I had given to Gary and to Joe for the cars, which was $1,500, for rent-a-cars, and I just estimated the difference.

Mr. SANDERS. In your advice to your accountant, you just approximated?

Mr. RUBIN. I approximated $5,500.

Mr. SANDERS. Did you give him an approximation of the disbursements of the $5,500?

Mr. RUBIN. No, I did not break it down.

Mr. RAUH. I do not think it is clear where the checks were cashed. That is the only point I notice was not as clear as it could be.

Mr. RUBIN. I do not remember. My best recollection would be I probably cashed one check in New Hampshire and two checks in New York, but I do not remember.

Mr. SANDERS. These checks were on your personal account?

Mr. RUBIN. Yes.

Mr. SANDERS. I would ask you then if you could aggregate your personal contributions to the McGovern campaign from the time of the New Hampshire primary to the election date.

Mr. RUBIN. If it is all right, I can give you the total figure, then we can subtract, and it should come out right. My total contributions to the campaign were $119,000. Everything I did not give in New Hampshire would have been given between New Hampshire and the end of the campaign.

Mr. SANDERS. About $13,000 in 1971, and $35,000 up until New Hampshire, you estimated?

Mr. RUBIN. About $70,000—$65,000 to $75,000.

Mr. SANDERS. Was all of the money that you contributed after the New Hampshire campaign in the form of checks?

Mr. RUBIN. Yes.

Mr. SANDERS. No other cash that you gave after the New Hampshire primary?

Mr. RUBIN. No. When they started up the California primary before they had a bank account, I gave a couple of hundred dollars for filing cabinets, or something like that, but my contributions were by check. By check, and by transfer of loans, in other words, I transferred some loans, I forgave some loans, or transferred some loans, that is a part of my $119,000.

Mr. SANDERS. Were any loans that you made to the McGovern campaign repaid?

Mr. RUBIN. Yes. I lent a total of $200,000 to the campaign and $130,000 was repaid.

Mr. SANDERS. Is anything owed to you today?

Mr. RUBIN. Yes; the campaign does owe me some money which they keep saying they are going to pay, for some miscellaneous expenses that I had when I was in Washington, that I have asked to get paid for.

Mr. SANDERS. This $130,000 that was repaid, that would indicate that $70,000 was not?

Mr. RUBIN. Of the $200,000, I gave, $130,000 was repaid. $55,000 I contributed in contributions of $3,000 each of the account receivable, and I am sure you have seen those forms to a number of McGovern gift tax committees. I assigned $15,000 to art for McGovern to buy some posters and paintings for the art for McGovern operation.

Mr. SANDERS. That would zero out?

Mr. RUBIN. The $200,000?

Mr. SANDERS. The $2,000 you said is still something owing.

Mr. RUBIN. When, from time to time, when I was in Washington, when I did not have a credit card or anything like that, I would spend money for travel and stuff like that and Henry always said he was going to pay me back, supposedly there is a check on the way from there, but it has been a long time coming which is a few thousand dollars.

Mr. SANDERS. Can you be more specific than a few thousand?

Mr. RUBIN. I really do not know the amount. It would be the amount of money involved in airplane tickets between Washington and New York. Travel expenses of that type. It is not an insignificant amount, it is an amount I feel is owing to me and I think the campaign has the money to pay it.

Mr. SANDERS. Rather than being in the form of something that you promised to pay the campaign, it is for a reimbursement for an expense that you incurred?

Mr. RUBIN. Right, that added up to $200,000, right?

Mr. SANDERS. Yes. Now, part of your contribution was in the form of stock or bonds?

Mr. RUBIN. No; it was by check.

Mr. SANDERS. Was any of your personal contribution to the McGovern campaign reimbursed to you by your corporation?

Mr. RUBIN. No; it was not.

Mr. SANDERS. I did not get it clear at the beginning. You mentioned that your primary business connection was Pioneer Systems, Inc.; is it?

Mr. RUBIN. Yes; it is.

Mr. SANDERS. Do you have other—do you serve as a director or an officer of other corporations?

Mr. RUBIN. Yes; a number of other corporations.

Mr. SANDERS. Are there too many for us to try to enumerate at this time? Are there quite a few?

Mr. RUBIN. Yes; there are. I did not receive reimbursement from any of them to any of the money I gave to the McGovern campaign from any corporation.

Mr. SANDERS. Do you serve as chairman of the board or principal executive officer of any of the corporations?

Mr. RUBIN. Yes; I do.

Mr. SANDERS. Would you name those corporations?

Mr. RUBIN. Vogart Crafts Corp., Putnam-Gelman Corp., Manchester, Conn.; Optical System Corp., Los Angeles, Calif.; Aerodyne Ltd., Jerusalem; Pioneer, I mentioned; that is it.

Mr. SANDERS. Pioneer has its principal headquarters in New York City?

Mr. RUBIN. No; in Manchester, Conn., and in New York. Pioneer is in Manchester, Conn.

Mr. SANDERS. Your principal offices are in New York?

Mr. RUBIN. Yes; the executive offices are in New York City.

Mr. SANDERS. You say that none of these corporations you just named provided any reimbursement to you for your contributions to the McGovern campaign?

Mr. RUBIN. No; they did not.

Mr. SANDERS. Were any of your expenses billed to any of these corporations?

Mr. RUBIN. No; they were not.

Mr. SANDERS. That is, any of the expenses in connection with the political campaign.

Mr. RUBIN. No; they were not. Specifically, I paid expenses.

Mr. SANDERS. Did the corporation assume any, assume the payment of any obligations for goods or services which were furnished to the campaign?

Mr. RUBIN. No; they did not.

Mr. SANDERS. By that I mean any of these corporations?

Mr. RUBIN. Right. To my knowledge, I am sure they did not.

Mr. SANDERS. Did any executive officers of any of these corporations make any contributions of $1,000 or more to the McGovern campaign?

Mr. RUBIN. Yes; the president of Pioneer made a contribution to the McGovern campaign.

Mr. SANDERS. Did any executive officers make contributions of $10,000 or more to the McGovern campaign?

Mr. RUBIN. I do not believe they did. I know Mr. Abrams is president of Pioneer, contributed $5,000; it is possible that he might have contributed more money to the campaign, I doubt it though. On that last question, again there are a lot of people in the company, there is nobody I know of, I am almost certain nobody did.

Mr. SANDERS. I am only asking your knowledge.

Mr. RUBIN. I think if they had they would have said something to me.

Mr. SANDERS. Did you make any solicitations or contributions of any other corporate officers of these firms?

Mr. RUBIN. No; I did not.

Mr. SANDERS. After the New Hampshire primary, what work did you undertake for the campaign?

Mr. RUBIN. After the New Hampshire primary I then did fund raising and agreed to run a voter canvass in California, a direct voter contact canvass in California. Some of my time was spent probably 50–50; 50–50 between those two projects. Again, off and on I would be in New York occasionally.

Mr. SANDERS. Did you undertake to manage a McGovern effort to solicit from large contributors?

Mr. RUBIN. Yes.

Mr. SANDERS. Was that your primary responsibility for the campaign?

Mr. RUBIN. Yes.

Mr. SANDERS. Did anybody else share this responsibility with you?

Mr. RUBIN. Everybody I could get to share it. There were a number of people around the country who were called special gifts coordinators.

Mr. SANDERS. They were regional or State?

Mr. RUBIN. They were regional.

Mr. SANDERS. I am talking about national.

Mr. RUBIN. Harold Willens, who was very very helpful in the campaign, although he did not have a national role he did raise a very substantial amount of money for the campaign, what we call large givers—we would define a large giver as somebody who gave more than $3,000—he was very successful in getting people, especially in the antiwar movement.

Mr. SANDERS. Harold Willens?

Mr. RUBIN. Right. He was very active in the Businessmen's Alliance Against the War. I would say, other than he, I guess I had the major responsibility, if not the total responsibility for raising large gifts.

Mr. SANDERS. Who did you consider to be the person that you were responsible to in the campaign, if there was such a person? Were you responsible directly to the Senator or to Mankiewicz?

Mr. RUBIN. I am sure—at this, why, you would know that in the McGovern campaign——

Mr. SANDERS. It is very unstructured?

Mr. RUBIN. It is not that it was unstructured, I sometimes think my son could have walked off the street and run the campaign and no one would have objected. Henry Kimmelman, when I did something, I tried to tell him about it to the extent that there was time to tell him about it. Naturally I would speak to Frank occasionally; to the Senator, mainly, to see if I could get some of his time to help with fund raising, and that was a difficult job.

Mr. SANDERS. Did you have any immediate staff of your own in the campaign? A secretary or assistant?

Mr. RUBIN. It sort of drifted in and out, but I would say there were, say, six volunteers maybe, from time to time and there was an attorney that stayed around most of the time who was there pretty much all of the time from the beginning. He was a civil rights lawyer that had come to work for the campaign. He worked pretty much with me on the telephone throughout. Most of the other people sort of drifted in and out, they would be there and they would get another job and leave. Then there was a pool of secretaries, three secretaries, there, who were there pretty much throughout the campaign.

Mr. SANDERS. Who was that?

Mr. RUBIN. Art Chotin.

Mr. SANDERS. Was he a Washington, D.C., attorney?

Mr. RUBIN. Yes, I think so, he had been with the Justice Department.

Mr. RAUH. Was he one of the group that left Justice?

Mr. RUBIN. Yes.

Mr. RAUH. There was a group that left Justice.

Mr. SANDERS. Civil Rights Division?

Mr. RAUH. I met them all at once at the McGovern headquarters, I did not remember their names; if he was one of them—they were nice young men.

Mr. SANDERS. I wonder if you could explain any program that you generated to procure contributions from unions or union political arms?

Mr. RUBIN. I did that job also. By programing, you mean what I said? How I approached them?

Mr. SANDERS. Did you form a program? Did you have a format for how you were going to go about this? Did you establish any targets? Any unions as targets for your principal efforts? Unions that you felt would be good touches?

Mr. RUBIN. I did two things with the unions. One was not really special gifts, one was to try to get the unions to make available to their members through their magazines or take ads in the magazines or a 1-million-member club for their members. As I recall, that did not work out. I do not think the—the problem was in getting the copy ready in time. That was a project that took a lot of time and it did not work. There was no structured program. At one point during the campaign there was a large meeting in Washington of all the

union representatives. They came to Washington, I think they were invited by Bill Dodds at the UAW and Joe Bierne who had been spoken to about making a contribution to the campaign, invited me down to speak to the group, or to those of the group that came to the meeting after a meeting, it was a dinner, it was a luncheon, a luncheon meeting at a hotel. I made an oral presentation to them telling them why I thought the campaign was a winning campaign and why I thought it was important to contribute from their voluntary fund, and I presented them with our loan program, in addition to the contribution program.

That seemed to strike a spark a lot more than the contribution and ultimately a number of the unions did participate in the loan program. The UAW made a contribution of voluntary funds. I do not believe any of the other unions did, or at least they did not make contributions substantial enough for me to remember it.

Mr. SANDERS. International Association of Machinists?

Mr. RUBIN. I think that was a loan of $100,000?

Mr. SANDERS. Yes.

Mr. RUBIN. I think that was a loan.

Mr. SANDERS. The UAW, you say, was a contribution?

Mr. RUBIN. The UAW contributed, and lent. My recollection on this is not going to be that good. I left it after it was a successive failure and I did not follow through after the check was in the bank. The UAW, I think, was $75,000 in contributions. I think ultimately they gave the campaign a loan of $200,000—maybe $150,000 or $200,000—as a loan. I think the Machinists gave $100,000 as a loan and I believe the Communications Workers—is that Mr. Bierne?

Mr. RAUH. The Communications Workers is Mr. Bierne.

Mr. RUBIN. The Communications Workers made a loan of $100,000. I believe that the Retail Clerk's Union made a loan of $75,000. I think the UAW was a $50,000 contribution and $150,000 loan, I think the $75,000 was the Retail Clerks. My recollection is that there were four unions that contributed.

Mr. SANDERS. Could you name the principal person that you negotiated with in each of these four unions?

Mr. RUBIN. At the Communications Workers Union, it was Mr. Bierne; at the Retail Clerks it was the president, well——

Mr. RAUH. I believe it is Mr. Hauser.

Mr. RUBIN. Whoever the president is of the Retail Clerks, I am not sure. I believe his name is Hauser. I am not sure of it.

Mr. RAUH. I think that is right.

Mr. RUBIN. The Machinists was Mr. Smith.

Mr. RAUH. Smith is the president of the Machinists.

Mr. RUBIN. At the UAW it was a Mr. Maisey, Mr. Miller? I think one phone call——

Mr. RAUH. Mr. Maisey is the secretary-treasurer, Mr. Miller is in accounting. I know Mr. Maisey is the secretary-treasurer, that much I know.

Mr. RUBIN. Mr. Miller was the treasurer of the union. Mr. Maisey, I believe was the vice president.

Mr. RAUH. Mr. Maisey is the secretary-treasurer. Mr. Miller must be the one who writes the checks to the accounting department. Mr. Dodds, you mentioned earlier.

Mr. RUBIN. Mr. Dodds did not participate in the discussions on the contributions—on loans.

Mr. SANDERS. Do you have any knowledge of what kind of activities these unions in turn might have conducted to generate these funds, or to replenish their treasury?

Mr. RUBIN. No, I do not.

Mr. SANDERS. I presume all these contributions were from the political action arms of these unions?

Mr. RUBIN. My understanding is that they were from the voluntary funds. What I call their discretionary funds. I know it was not easy to get.

I think we got it in pieces as we went. My recollection is there was one check for $100,000.

Mr. RAUH. When you said replenish the treasury, I do not think you really mean that, because if that was what they were really doing, that would have been illegal.

I do not think you meant to suggest that. If they really used money right out of their treasury, it would have been illegal.

I do not think any of these four unions would have ever done anything like that. From my knowledge, I used to be general counsel of the auto workers. I am aware of the problem between voluntary funds and using regular dues, because the latter is illegal as hell and everybody knows it, and I think these four were as careful as they could be.

Mr. SANDERS. Do you have knowledge, any knowledge of any solicitation these unions made of their members, any system at all that they used to collect this money from their members?

Mr. RUBIN. I have no idea how unions raise their money from their members. At one time, I know, we did give copy to some of the unions, copy of the million member club, a stat, to see if they would run it in their trade journals. Again, I assume that is all the unions. There could have been other unions that contributed to the campaign that I did not talk to.

Mr. RAUH. May I ask, the other union that comes to my mind that might have given in this kind of a way was the State, county, municipal. Do you remember anything about that? I just threw that out to make sure we did not leave anything out. That is the only one that I can think of that might have given to you. Do you have any recollection?

Mr. RUBIN. The GAO records would probably show it. I remember some long conversations. I do not think they ever contributed. I think they were one of those that did not. I do not think so.

Mr. SANDERS. Were you responsible, were you personally and directly responsible for any contributions to the McGovern campaign of $100,000 or more?

Mr. RUBIN. Contributions?

Mr. SANDERS. Other than the union contributions that we have talked about.

Mr. RUBIN. Yes.

Mr. SANDERS. Could you identify them for us? From individuals, I am talking about.

Mr. RUBIN. Right. I will try and identify them.

Mr. SANDERS. Were they in a great number?

Mr. RUBIN. Now—I will try and identify them. Obviously, again, it would be easier——

Mr. SANDERS. We have got all kinds of records. We have got GAO records. We have got parts of records from before April 7. Sometimes some things slip through the cracks.

Mr. RUBIN. Loans or contributions?

Mr. SANDERS. Loans and contributions that you were personally responsible for.

Mr. RUBIN. The Noyes brothers. When you say, I personally, that I alone got the contribution?

Mr. SANDERS. You made the contact, and as a result of your contact the money was forthcoming.

Mr. RUBIN. Or a contact was made to me?

Mr. SANDERS. All right.

Mr. RUBIN. The Noyes came in through a solicitation that we made for $5 contributions. You know, in those envelopes, and an envelope came back in and said, I would like to contribute a substantial amount to the Senator's campaign or lend him a lot of money. I don't know how it got on my desk. It looked like somebody came around and said, I would like to start off with $25,000. It was one of our direct mail solicitations.

We had a rule in the direct mail department, if anybody contributed more than $500 in direct mail that that should be culled out and given to me. If that person would give $500 just as a result of a printed direct mail solicitation, he would be good for more. And the Noyes contributed, the Noyes lent and contributed, I am not going to be able to break it down between those two, I think around $450,000.

Mr. COSTA. Nicholas Noyes?

Mr. RUBIN. Nick and Dan.

Mr. SANDERS. OK.

Mr. RUBIN. Dick Solomon, $100,000. It might have been $125,000, $100,000 or $125,000 between loans and contributions. Max Palevsky, $335,000. Joan Palevsky, $100,000 plus. It could have been $125,000, somewhere around there. Alex Zaffaroni, $220,000.

Mr. SANDERS. $220,000?

Mr. RUBIN. $220,000.

Mr. SANDERS. $300,000 in stock, was it not?

Mr. RUBIN. I was going to say around $200,000. Sometimes on the filings, it seemed to me that the filings are correct, I think, but it got mixed up. Because if somebody made a loan and then made a contribution and was repaid the loan, then sometimes the press would go Mr. So and So gave $300,000, and we have it as $150,000. I do not think Dr. Zaffaroni gave that much money.

Marty Peretz, Marty and Anne Peretz, I would say it was $150,000, $100,000 to $150,000. I know there are more.

Mr. COSTA. Did you solicit from Arnold Hyatt or Billie Kane?

Mr. RUBIN. Hyatt and Kane, you mean together?

Mr. COSTA. Could you give it to us separately?

Mr. RUBIN. I cannot. If you talk to one, the other one would get on the phone. I would say Hyatt gave $100,000, That might be high. He might have given $100,000. Kane, I would say, somewhat less.

Mr. COSTA. Kane less?

Mr. RUBIN. Yes.

I just want to express here, when I left the campaign there were a lot of arguments going on about loans. I am not quite sure how it all worked out when the shouting died down. Two of the people who had given—their loans might have been about $100,000 each. Maybe it is $100,000 each. But I know they wanted repayment of more than they wanted to repay them. Or they were trying to convince them to contribute more than they wanted to contribute.

Mr. COSTA. When you say these were loans, did they give direct contributions, also, either one, Hyatt or Kane?

Mr. RUBIN. I believe they did, but I do not know.

Mr. COSTA. You do not know?

Mr. RUBIN. No. My impression is that they had made direct contributions in Massachusetts, but I do not know. A number of these people, by the way, that I am speaking are people that did, I suppose, give contributions locally.

I think Bob Meyerhoff was $100,000 or $125,000. I do not remember how much Towbin gave. I know it was $100,000 I was always asking for, $100,000. I believe he might have loaned $100,000, Belmont Towbin, or close to it. I am thinking of all the ones that did not. Saalfield, probably got close to that figure.

Mr. COSTA. How about Hugh Hefner?

Mr. RUBIN. I believe Hefner gave about $75,000, $50,000, or $75,000. I know he gave $50,000. At one time he gave $5,000 to the concert committee. That was $55,000. I would believe around $55,000, maybe $75,000. I do not think you would get $100,000. Stuart Meyer was obviously a large contributor.

Mr. SANDERS. Is that about it?

Mr. RUBIN. I would not say there are not more. There could be more. Those are the names that come to mind at over $100,000.

Mr. SANDERS. Who would you say was the single largest contributor to the McGovern campaign? Was it Mott?

Mr. RUBIN. I would have to have a feel for how much they got repaid. Probably the Noyes brothers together, Stewart Mott, Palevsky. I guess they would be the three largest contributors .

Mr. SANDERS. Were any of the contributions made to the McGovern campaign in the name of your wife?

Mr. RUBIN. My wife?

Mr. SANDERS. Yes; in the name of your wife?

Mr. RUBIN. I believe she gave something like $600 to the women's operation, which was included in the figures I gave you.

Mr. SANDERS. Or any other members of your immediate family?

Mr. RUBIN. No. I would guess my brother made a contribution, knowing his politics. But it would be small, maybe a couple hundred dollars.

Back on those contribution things, I cannot say that that is an accurate list. If I could go through the GAO filing I could spot the names more readily of the people I work with.

Mr. SANDERS. To your knowledge, were any of these contributions of $100,000 or more in any way reimbursed to the donors by corporate assets?

Mr. RUBIN. Not that I know of.

Mr. SANDERS. As you made your way through the campaign, your stock in trade was the identity of persons who were able add/or were willing to give to the campaign. What manner of record did you keep of persons who gave to you and persons you contacted, your successes and failures?

Mr. RUBIN. I kept a record at the office of cards. You mean, over and above the computer run? My record?

Mr. SANDERS. For your own daily or weekly, in your little office?

Mr. RUBIN. It was a little office. I did keep cards. They were color cards. They were broken down geographically, and then they were broken down by amount contributed either to us or in the past to other campaigns. I do not remember the color code, but the designations were prior contributors to the McGovern campaign, and then the amounts were booked on the back of the card. I am sure not always accurately, as the contributions built up. Prospects were color coded by the amounts that they had given to other candidates in the past, and those were taken off, oh, a variety of lists, everything from, I guess, Alexander's list to somebody walking in the office and saying, say, this sounds like a great prospect, and throwing something on the desk.

Mr. SANDERS. What facts were included on the cards?

Mr. RUBIN. Name of contributor or prospective contributor.

Mr. SANDERS. Yes.

Mr. RUBIN. If he was a contributor, it was his name, his address, his telephone, his business, and it might have what he had given to other people, because that is the way the cards started, if we had that information, and what he gave to the McGovern campaign and the dates. That was on the back side, the dates that he gave, and then little things. We would send everyone who made a contribution, say, of $1,000 or over a copy of the Senator's acceptance speech. Or we would send people who gave a $5,000 contribution a picture of Senator and Mrs. McGovern, and use that as an opportunity to call up and say, did you get the picture, and how about another $5,000. And that was noted, I think, on the cards.

We always had a problem with duplicate mailings where people would get two letters or two pictures. Every day the direct mailroom would bring in the names of people that would give, we started off, I think, with $500 and over, and eventually worked it down to $100 and over. And then we would very actively solicit those people. Most of the soliciting I am describing is phone solicitation. We did not have too many people, you know, to get out and see people. It was mostly phone.

Mr. SANDERS. Was there any showing on the card as to whether the contribution was by stock, check, or cash?

Mr. RUBIN. We never got any cash that I know of on these contributions. I do not think it would show if it was stock on that card. I think it would just have the amount.

Mr. RAUH. Would it not be an odd amount if it was stock and it would probably total that way?

Mr. RUBIN. Joe, there was not that much in stock contributions, you know, that I am aware of. The stock was generally given after a prior loan, and the stock was given as a contribution, and then, at some point, the loan would be repaid or part of the loan would be

repaid. That is what I mentioned before about things getting picked up twice, both the loan and the stock contribution getting picked up.

Mr. SANDERS. Did you also have your own correspondence files?

Mr. RUBIN. Yes; there is a file at the office.

Mr. SANDERS. Did you keep such files in your own working office, or was there a central records office for all these matters in the McGovern campaign?

Mr. RUBIN. There was a filing cabinet in the room right outside of my room in the corner. I am not all that sure it got filed that well. But if it was an important letter—I am speaking of $100,000 contributions—then the people who wrote the acknowledgment letters, at that time the procedure was that if there was a contribution that was more than $3,000 there would be an acknowledgment from the Senator. I do not know if that was the breaking point, or $10,000. At some point there was instructions that a letter was to go out from Senator McGovern.

And the procedure on that was that one of the volunteers would type the letter, and then it would be taken over to the Senator's office with a duplicate copy for him, and I think a copy to Henry.

Mr. SANDERS. Do you have with you today any documents from your work in the campaign?

Mr. RAUH. Yes; we have brought you what we have on the campaign here. It is not in very clear shape, and we did bring, apparently Mr. Rubin swept this off from his desk afterward. It is a hell of a mess, but it is all yours, if you want to go through it. But do you want to give us some sort of receipt for one folder of mixed up——

Mr. SANDERS. You can just state on the record here that you are delivering to us, describe it as you will.

Mr. RAUH. This is, as I understand it, because I have been over it with Mr. Rubin, this is all of the stuff that was on his desk when he left, and in large part it would be a duplicate of things in the regular files, but some of it may not be.

Mr. RUBIN. It is a duplicate.

Mr. RAUH. You think everything here is a duplicate of what was in the regular files?

Mr. RUBIN. I think this is mostly letters to or from people that gave a lot of money. I think they would generally be of people that gave a large contribution or a large loan, where there is supposed to be a special letter or where there is supposed to be a followup when I was working on it at the end of the campaign.

Mr. SANDERS. I do not want to take your time now to go through all of this now.

Mr. RAUH. Would you return this to us?

Mr. SANDERS. We will look through this in the next week or so and return it to you.

Mr. RAUH. All right.

Mr. RUBIN. I think there is some media stuff in here, too.

Mr. SANDERS. Do you have at the present time possession of any documents from the campaign other than what you have turned over to us?

Mr. RUBIN. I have a lot of clippings and pictures and posters and things of that type.

Mr. SANDERS. Do you have any copies of correspondence?

Mr. RUBIN. This is it.

Mr. SANDERS. Do you have any evidence of contributions to the campaign or disbursements from the campaign?

Mr. RUBIN. No; I do not. I have the cards from southern California, I think.

Mr. SANDERS. Three by five cards?

Mr. RUBIN. About that big. [Indicating.] Five by eight. Either I have them or the Bradley campaign has them in southern California. I think I lent them to the Bradley campaign. I think they returned them to me.

Mr. RAUH. That is Mayor Tom Bradley of Los Angeles?

Mr. RUBIN. Yes.

Mr. SANDERS. You think they have been returned?

Mr. RUBIN. I think I have them or I could get them.

Mr. SANDERS. How did it happen that you took this one geographical segment?

Mr. RUBIN. Because that is where I live. The truth of the matter is I wanted to write thank-you letters to people, but I did not ever. There was sort of a letdown at the end. I never did get around to writing them.

Mr. SANDERS. Do you know what happened to the other cards?

Mr. RUBIN. I am sure they are at the office. I am not sure they are at the office. I believe they are at the office.

Mr. SANDERS. In whose custody would they be at the present time?

Mr. RUBIN. All of that stuff was kept in a filing cabinet together with the computer runs. We would periodically take a computer run of everybody of $500 and up, and kind of run it against the cards. They were kind of kept together. We would try to keep it reasonably secure, whatever that means. We would keep it over there. I guess that is where it is, wherever Marian's records are, wherever the records are, that is where it would be.

Mr. SANDERS. It is your opinion that Marian Pearlman has it at the present time?

Mr. RUBIN. Or at the DNC. I know there was some talk toward the end of the campaign of giving the DNC those lists to interleaf them in with their own contributors lists, and they may have done that.

Mr. SANDERS. Do you have any questions?

Mr. COSTA. Yes.

Did Marian Pearlman keep any kind of formal ledger of the larger contributors, any list or book of any kind?

Mr. RUBIN. No. There was a list of loans, though. There was a list of everybody that made a loan, because, you know, there was a commitment to repay the loans. That was kept a running list. My answer is not no, she did not, because I do not know whether she did or not. I do know specifically there was a list of loans, though, of about $4 million.

Mr. COSTA. Did the McGovern committee enter into any formal loan agreements with contributors?

Mr. RUBIN. Yes.

Mr. COSTA. It did?

Mr. RUBIN. You might find some in here. [Indicating.]

Mr. COSTA. Could you explain briefly when the forgiveness of loans aspect started?

Mr. RUBIN. The loan repayment went on pretty much for a while. There was always open the question of what happens if somebody who made a loan, later on after a payment had been made, whether he caught up on the percentage of repayment or not. With that line of difficulty, resolving that, I guess, they probably got paid down to around, say, roughly 50 percent, maybe a little less, 40 percent, on average. Then Henry felt that if all the loans were repaid as per the agreement, there was not going to be enough money to run the campaign. I do not know what the testimony has been up to now, but there was never enough money to run the campaign.

Mr. COSTA. Can you remember a date?

Mr. RUBIN. I would say, this is rough, 4 weeks before the end, say the beginning of October.

Mr. COSTA. How were his feelings conveyed to you? Did he call you in and say, we have to get these people to forgive loans? What did he say?

Mr. RUBIN. What he really said was, did I think there was any chance of people making a contribution of a portion of their loans. And I did review the file with him the loan file that I was referring to, you know, who had made a loan, the original amount, how much they had been repaid, and who the people were. My recollection is that that loan amount which was originally intended to be $4.5 million. Originally the loan program, we thought it would not be safe to take in more than $4.5 million because people were to get paid $1 out of the $4, out of the small contributions—I should not say the small, the other—the contributions that came into Washington. And because that excluded local contributions, which in some States were substantial.

I guess nobody really knew what was going to come in, and because there was great uncertainty whether the TV contribution program, which was a big part of the program, or raising the money on TV, would work. People were getting skittish about how much the loans could be because you had to multiply by four to get paid back.

So, originally we thought that $4.5 million would be the right figure. Then, as things started not to go so well that the word around from Henry was do not make any more loans. Let us see if we can make it contributions, not loans. I think it got cut off at about $3.9 million, somewhere just under $4 million, or $3.8 million. That became the maximum amount of the loan program, which meant that we had to take in like $14 million, just into the Washington office, to get it paid back. So, it was around that time that we started.

Mr. COSTA. Who devised the system of loans forgiveness, the splitting up of outstanding debts to the various shell committees, whose idea was that?

Mr. RUBIN. The paperwork for it?

Mr. COSTA. How it would be reported and shown.

Mr. RUBIN. I suppose, Henry.

Mr. COSTA. You did not have anything to do with it?

Mr. RUBIN. I drew the letter.

Mr. COSTA. I am talking about the gift tax considerations.

Mr. RUBIN. What do you mean?

Mr. COSTA. Were you consulted as to where and how it was to be done?

Mr. RUBIN. I was quite aware of the gift tax implications of it.

Mr. COSTA. When you contacted the individuals that had outstanding loans, did you indicate to them the possible gift tax problems of making large contributions?

Mr. RUBIN. People who made contributions of that type received a communication generally, not always, which was, as I recall it, a tax opinion that the campaign had gotten, or a statement of the tax position accompanied by a list of the McGovern committees.

Mr. COSTA. Was that an IRS publication?

Mr. RUBIN. No, the campaign drew it up, and it referred to the IRS ruling. The ruling, you know, relating to presumption of independence, if there was a one-third nonoverlap in the offices and so on and so forth.

Mr. COSTA. Would you know who the principal author of that opinion was?

Mr. RUBIN. No.

Mr. RAUH. That was a legal opinion.

Mr. RUBIN. It was not an opinion on a lawyer's letterhead but the basis of that, I was told the basis of that was an opinion the campaign had received. This was sort of a synopsis of it.

Mr. RAUH. Isn't there an opinion? I read about it in the paper where they said you could give to more than one committee.

Mr. COSTA. There is an IRS ruling.

Mr. RAUH. That is what I am referring to, the IRS ruling.

Mr. COSTA. That is not what you are talking about. You are talking about a letter of some kind.

Mr. RUBIN. It was a communication that referred to the IRS. It may have quoted it. By the way, it may be in there [indicating] because we did send it to some of the large contributors.

Mr. COSTA. That is all I have.

Mr. RUBIN. I did know about it.

Mr. SANDERS. Do you have knowledge of any contributions to the McGovern campaign of $1,000 or more in the form of cash? If I asked you that, I apologize. I do not think I have.

Mr. RUBIN. It is possible that someone sent in that much money in direct mail. I doubt it.

Mr. SANDERS. Did you ever see a $1,000 contribution or more than $1,000 in cash in one package?

Mr. RUBIN. No. Obviously I saw a lot of cash in the mailroom.

Mr. SANDERS. Did you ever hear of other persons in the campaign receiving $1,000 or more in cash from one contributor?

Mr. RUBIN. No, I did not.

Mr. SANDERS. Do you have any knowledge about cash that was maintained by the campaign, either on the premises or in some other place of safekeeping?

Mr. RUBIN. No. I know they had a procedure—I did not know what it was—for depositing the checks and the cash. I think it depended upon when they closed the mailroom. They were in a backlog and they worked late at night. You know this happened at the end. On night deposits, I do not think they had a safe there.

Mr. SANDERS. To your knowledge, did they keep any bank safe deposit box?

Mr. RUBIN. On night depository?

Mr. SANDERS. No.

Mr. RUBIN. A safety deposit box?

Mr. SANDERS. A safety deposit box in a banking institution?

Mr. RUBIN. I do not know.

Mr. SANDERS. Did you receive contributions of $1,000 or more from any person who asked that you protect their identity?

Mr. RUBIN. There were people that asked that they not get notoriety. We always explained to them that there was a reporting requirement that we would have to file. I cannot remember names. I recall people saying, then they were not going to contribute, on one or two occasions. Most of them finally realized that there was a reporting requirement. There would be occasionally an outraged cry from somebody when a newspaper article appeared in which either the GAO report was picked up or Henry gave a press conference and mentioned somebody's name.

Mr. SANDERS. Did you accept any contributions of $1,000 or more and make any representation to the donors that their identity would not be revealed?

Mr. RUBIN. No, I did not.

Mr. SANDERS. Do you know of any other persons in the campaign who received contributions under such conditions?

Mr. RUBIN. Do I know?

Mr. SANDERS. Yes.

Mr. RUBIN. I am just thinking of Art for McGovern. Are you familiar with that?

Mr. SANDERS. I know there was such a committee. Is this the Andy Warhol?

Mr. RUBIN. It was originally something I got launched. I never followed that through. My impression was that GAO said that the contributor—originally said the contributor was the artist, not the purchaser. I think it ended up, though, with both being reported, both the artist and the purchaser. I am not sure of that. That was the case where an artist contributed a work of art to the campaign and then the campaign sold it at appraised fair market value, sometimes to a McGovern supporter, I guess, or sometimes not. It was whoever walked into the gallery.

My impression is that originally Art for McGovern operated out of New York, was reporting, or planned to report the purchaser, the contributor. Then the GAO said no, it should be the artist who made the contribution.

Mr. SANDERS. Aside from that program, do you know of any other such instances?

Mr. RUBIN. No, I do not.

Mr. SANDERS. Now, in answering my question a few moments ago about persons, about whether persons would have their identity protected, you made mention of the reporting requirements. It would be post-April 7. Before April 7, there was no legal requirement for disclosure of identity. Would your answer be different for the period before April 7?

Mr. RUBIN. In my view it would not be. I was not down here then. My impression was the campaign at that time went to great lengths to report everybody's name, no matter who it was, and have a computer printout. I know my name was on it, on the computer printout.

Mr. SANDERS. Do you know of any persons who contributed $1,000 or more to the McGovern campaign whose names were not publicly disclosed or reported to GAO?

Mr. RUBIN. No, I do not.

Mr. SANDERS. This publication by Citizens Research Foundation, do you have any familiarity with this?

Mr. RUBIN. Is that Alexander's thing?

Mr. SANDERS. Yes.

Mr. RUBIN. No, I have not seen it.

Mr. SANDERS. This publication which purports to list the identities of persons who were voluntarily disclosed by the various campaigns before April 7.

Mr. RUBIN. Right.

Mr. SANDERS. Lists contributions by you to McGovern, in these amounts, $23,800, $30,000 with an "L" after it, which I believe indicates Loan.

Mr. RUBIN. This was at what time?

Mr. SANDERS. They do not give the dates here. It is before April 7, and $12,500.

Would you say that is approximately correct for your pre-April 7 contributions?

Mr. RUBIN. No, it is low. That is pre-April 7?

Mr. SANDERS. Pre-April 7.

Mr. RUBIN. I would say it is low. I would say to me it sounds like it is $10,000 low.

Mr. RAUH. On the contribution, not the loan.

Mr. RUBIN. On the contribution.

Mr. SANDERS. Can you offer any explanation as to why?

Mr. RUBIN. None whatsoever.

Mr. SANDERS. Why is it not more accurate?

Mr. RUBIN. No.

Mr. RAUH. Maybe it is Alexander's fault.

Mr. SANDERS. That is always a possibility. It purports to be based on disclosures made by the McGovern campaign.

Mr. RAUH. I would like to look at it for another reason. I want to see if he has my $1,000 there.

Mr. RUBIN. I can think of a reason. You asked me if I could think of a reason for it which could have been the amounts that I picked up on my gift tax return, which were amounts I spent in New Hampshire were not picked up by McGovern. That would just be about the difference. That is just about the difference between the two figures.

On the other hand, I never found the figures to be accurate. I have seen figures on my contributions saying I gave $400,000 in the newspapers and magazines. My wife says I am crazy. You know, I do not even know if the figures are right. There is a tendency for them not being right.

I mentioned to you that I gave a $12,500 contribution in 1971. I made four $5,000 contributions at the time of New Hampshire so that

would be $32,500 and $15,000 which I spent myself. That would be $47,500 They had me down for $35,000, and the difference is $12,500. Maybe they got everything but the $12,500—the $12,500 that I gave them in September. The other figure seems right.

Mr. SANDERS. The money you spent in New Hampshire, I presume you did not report to the McGovern—you did not account for this to the McGovern campaign so they could in any way enter it in their books as a receipt and disbursement.

Mr. RUBIN. No. I mentioned it to them at one point, I think. I certainly did not give them an accounting of it then. The way I picked it up is when I filed my gift tax return. My accountant put all my stuff together and stuck it in.

What do they have me down for for the total? Do they have the right total?

[Discussion off the record.]

Mr. SANDERS. You also contributed $2,000 to Muskie?

Mr. RUBIN. I think that was my wife. That was in early 1971.

Mr. SANDERS. It is shown under Miles.

Mr. RUBIN. The checks are Miles and Nancy. That was very early in 1971, was it not?

Mr. SANDERS. There is no date there.

Do you have knowledge of any contributions to the McGovern campaign of $1,000 or more where the donor made the contribution through some third party so that the donor would not be shown as the real party in interest?

Mr. RUBIN. No. There was a Lockheed or Northrup good citizenship deal. I do not know what the underlying amounts were. It was either Lockheed or Northrup. I think it was Lockheed. They had a program with their employees where their employees contributed—I do not know whether the employee designated who the money should go to, whether it was a contribution. It was called a good citizenship campaign, and then I think it was allocated. I do not know how it was allocated. Maybe it was allocated in proportion to where the employees gave it, or equally to the campaigns. That amount I remember. I do not remember, $25,000 or something.

Mr. SANDERS. Strictly voluntary contributions?

Mr. RUBIN. I remember the fellow showing up at the office to talk to us. This is something they had been doing for a number of years. I think that was mainly with the people in the shop, at the shop level. I do not know.

Mr. RAUH. Bipartisan?

Mr. RUBIN. Yes. I do not know how they allocated it. They either gave half to each party. They had a method of allocating. I think it was half to each party. I do not know what the underlying contributions were. I do not know of any other indirect contributions.

Mr. SANDERS. Did you have personal contact with Dr. Zafferoni to obtain his contribution?

Mr. RUBIN. Yes. You mean face to face?

Mr. SANDERS. Yes.

Mr. RUBIN. Telephone.

Mr. SANDERS. Were you the only campaign official in contact with him?

Mr. RUBIN. No. Yes, I would say the only campaign official, yes. Harold Willens had made a phone introduction for me to him.

Mr. SANDERS. Had you previously known Dr. Zafferoni?

Mr. RUBIN. No.

Mr. SANDERS. How did you choose his name? How did you acquire his name for contact?

Mr. RUBIN. I think Harold knew that he was a person who was very deeply concerned about the war. At one point he sent a telegram, I think it was after the first phone call, it was after the bombing started again, and he made a contribution. My initial contact was a phone call through Harold.

Mr. SANDERS. Have you ever met Dr. Zaffaroni?

Mr. RUBIN. I met him, yes; after that, I met him once in California when I took a trip with the Senator.

Mr. SANDERS. Had Willens been personally acquainted with him?

Mr. RUBIN. I think casually. Again in connection with the Businessman's Alliance Against the War.

Mr. SANDERS. Were you aware that he was a foreign national?

Mr. RUBIN. I was aware that the question was raised afterwards.

Mr. SANDERS. Before the contribution.

Mr. RUBIN. No. I was not aware that he was a foreign national when the question was raised. I asked one of the attorneys in the office to research it, and he determined that there was nothing improper in taking a campaign contribution from a resident alien. We checked it out quite carefully at that time. Then we found out that the doctor was a bona fide resident alien.

Mr. SANDERS. Up until the time when you received the contribution, you did not know?

Mr. RUBIN. No, I did not.

Mr. SANDERS. That he was a resident alien.

Mr. RUBIN. I did not know he was a resident alien. I did not identify him with being foreign or nonresident. He speaks with a slight foreign accent, but many people do.

The question was raised with me when a reporter come in with a question. We at that point got on it and determined that a resident alien can make a contribution.

Mr. RAUH. He had previously, for your information, made a tremendous number of contributions to political campaigns. He was possibly the largest contributor to Senator McCarthy in 1968.

Mr. SANDERS. I was not aware of that.

Mr. RAUH. He has been a big contributor for a long time. He is on every sucker list in America, I am sure. I do happen to know him. He has been very generous in previous campaigns. I suppose everybody would have assumed if he gave to previous campaigns he would probably give to this one.

Mr. SANDERS. Do you have any business dealings with his firm, to your knowledge?

Mr. RUBIN. No; I do not.

Mr. SANDERS. Do you know of any foreign business interest of Dr. Zaffaroni?

Mr. RUBIN. No.

Mr. SANDERS. Do you have knowledge of any contributions received by the McGovern campaign by other foreign nationals?

Mr. RUBIN. No; I do not.

When you say other, I am not sure what Dr. Zaffaroni is.

Mr. SANDERS. Dr. Zaffaroni is not a U.S. citizen. He is a resident alien, and he could be termed as a foreign national.

Mr. RUBIN. No; I do not. His associate made a contribution to us, Dr. Djerrasi. I have no idea.

Mr. SANDERS. Did you solicit that contribution, or did it flow from the other?

Mr. RUBIN. No; I do not remember.

Mr. SANDERS. Do you know the size of the contribution?

Mr. RUBIN. $50,000. It was a loan, it was a $50,000 loan.

Mr. SANDERS. What is his name?

Mr. RUBIN. Djerrasi.

Mr. SANDERS. Do you know how to spell it?

Mr. RAUH. D-j-e-r-r-a-s-i.

Mr. SANDERS. His first name?

Mr. RAUH. Carl.

Mr. SANDERS. He is an executive of Alzar?

Mr. RUBIN. Alzar or Syntex. I think it is Alzar.

Mr. SANDERS. Dr. Zaffaroni's contribution was after April 7?

Mr. RUBIN. Before.

Mr. SANDERS. Did Djerrasi's contribution arrive at about the same time?

Mr. RUBIN. No; I think Djerrasi's contribution came in about a month after the convention. I do not know the time on it. Djerrasi's was a loan. My impression was it was a lot harder to come by. Dr. Zaffaroni was very gracious in his approach. I remember in my conversation with him——

Mr. RAUH. Zaffaroni is in here $4,000 at that time. It must have just been a normal gap. But he is also in here with $11,000 to Pete McCloskey prior to that time. And Djerrasi is in here for $500 to McGovern. So they would have had the names on the McGovern list of people to go after for bigger ones.

Mr. SANDERS. Did you have personal contact with Djerrasi by phone or in person?

Mr. RUBIN. Yes. Both.

Mr. SANDERS. Why did you call him?

Mr. RUBIN. I think he came off—I am trying to remember. I think he came off the McCarthy list. I think he was a very large contributor to McCarthy, and I had subsequent conversations with him and he wanted his son to work in the campaign.

Mr. SANDERS. Is he also a native of Uruguay?

Mr. RUBIN. I do not know. My guess would be not. I do not know. He does not speak with a foreign accent, although he might be a native. I do not think so.

Mr. RAUH. I do not think so either.

Mr. RUBIN. I think he was born in this country.

Mr. SANDERS. Did you have a certain financial objective for the McGovern campaign to raise a certain amount of money from the category of special gifts?

Mr. RUBIN. We always had great hopes, but we never really had a specific budget.

Mr. SANDERS. Did you establish a goal for yourself?

Mr. RUBIN. I mentioned initially that we hoped we would get $4.5 million in loans. I guess we really got something like that same amount in contributions, but it was hard going. It became apparent that the bulk of the funds, if there were going to be a bulk of the funds, were not going to come in from large contributors.

Mr. SANDERS. For what amount do you think that you would take credit for in the amount of special gifts, total, $4.5 million?

Mr. RUBIN. I really do not know. I am not trying to duck the question. Whenever we got a large contribution, everybody always claimed they got it except me.

Mr. SANDERS. Not that you could personally take credit for. How much do you think was raised in large gifts?

Mr. RUBIN. Are you including loans in?

Mr. SANDERS. Yes.

Mr. RUBIN. Maybe $6 million. That is really a rough guess.

Mr. SANDERS. Do you have any knowledge of transfers of funds from Senator McGovern's Presidential campaign committees to a Senate campaign committee?

Mr. RUBIN. No.

Mr. SANDERS. Do you know anyone by the name of Rick Cohan?

Mr. RUBIN. No.

In the campaign?

Mr. SANDERS. Yes. For a very short time.

Mr. RUBIN. No.

Mr. SANDERS. I believe he is now, he is a newsman. I believe he is now with ABC in one of the networks.

Mr. RUBIN. No.

Mr. SANDERS. Do you have any knowledge of an effort on the part of Ted Van Dyk to put an individual on the payroll to work undercover on the Agnew plane?

Mr. RUBIN. No.

Mr. SANDERS. Are you personally acquainted with Dick Tuck?

Mr. RUBIN. No.

Mr. SANDERS. Were you contemporaneously aware that he was working for the campaign in 1972?

Mr. RUBIN. No.

Mr. SANDERS. Are you personally acquainted with Walter Sheridan?

Mr. RUBIN. Yes.

Mr. SANDERS. Did you have any association with him during his service to the campaign?

Mr. RUBIN. When you say association——

Mr. SANDERS. Did you have to coordinate any of your——

Mr. RUBIN. Fund raising?

Mr. SANDERS. Activities with anything he was doing?

Mr. RUBIN. He worked outside Frank's office.

Mr. SANDERS. Do you know what Sheridan's responsibilities were?

Mr. RUBIN. I think he was working on the Watergate for a time. Frank was working on a letter to Kleindienst which was sent out to Kleindienst. I remember that letter because we used that letter in fundraising and we did some work on it.

Mr. SANDERS. When you say Sheridan was working on the Watergate, can you be a little more specific?

Mr. RUBIN. I think there was generally a feeling in the campaign that some fairly strange things had happened that had not been brought to a position of high visibility with the public and it was kind of a frustration why nobody seemed interested. My impression was they were working on research and background. When I say Watergate, I am talking about the whole mess.

Mr. SANDERS. You mean he was trying to uncover more facts?

Mr. RUBIN. I do not know uncovering them. I knew when everybody was talking about the milk case for awhile, why nobody seemed interested in that.

Mr. SANDERS. Do you have knowledge of any so-called dirty tricks played against the McGovern campaign?

Mr. RUBIN. Do I?

Mr. SANDERS. Yes.

Mr. RUBIN. Just what I am reading about them from the papers.

Mr. SANDERS. What I mean is, while you were working in the campaign, did you become aware of any dirty tricks played against the campaign by anyone?

Mr. RUBIN. No.

Mr. SANDERS. Do you know of any persons working on behalf of Senator McGovern who undertook any responsibilities for any other Presidential candidates?

Mr. RUBIN. No.

Mr. SANDERS. In other words, let's say he is on the payroll of McGovern or he volunteers for McGovern and went to work on any other campaigns.

Mr. RUBIN. No.

Mr. SANDERS. Are you familiar with the passages in a book written by Hunter Thompson about the so-called U–13 incident?

Mr. RUBIN. What is U–13?

Mr. SANDERS. Have you read the book by Hunter Thompson?

Mr. RUBIN. Yes.

Mr. SANDERS. It is the one he speaks of, a series of circumstances of a plane being kept on standby for Humphrey to send to Las Vegas to pick up a sum of cash, and he refers to that as the U–13 incident. I do not know why.

Mr. RUBIN. I do not know.

Mr. SANDERS. You are familiar with what Hunter Thompson has to say about that incident?

Mr. RUBIN. Yes, I am.

Mr. SANDERS. Did you receive a phone call reporting facts of this nature to you?

Mr. RUBIN. Yes, I did.

Mr. SANDERS. Would you explain what you know about it?

Mr. RUBIN. I received the phone call, the gist of which was that Senator Humphrey was going to be making a mystery trip to Las Vegas and I mentioned the thing to Frank Mankiewicz. I thought it was strange. He was in the California campaign. As far as I know, he never went, or I would know it. He seemed to be around the California primary at least.

Mr. SANDERS. Who called you?

Mr. RUBIN. I have no idea who called me.

Mr. RAUH. Did the person give the name and you forgot it or did the person not give the name?

Mr. RUBIN. It was not unusual to get strange phone calls during the campaign or to have strange letters come in during the campaign. There was a lot of stuff that happened around that time of the campaign, that I made a subject of a complaint. I do not know what the Commission is here, the Fair Campaign Practices Commission. There were a tremendous number of phone calls, mailings. There was what we called a fish mailing, which was attributed to Senator McGovern.

Mr. SANDERS. I do not want to prevent you from telling these things and we can get into that, but before we get too far afield from this one phone call——

Mr. RUBIN. I have no idea who called me.

Mr. SANDERS. I would like to exhaust what you know about that. Could you state to the best of your recollection, what was said by this unknown person in the call to you?

Mr. RUBIN. That Senator Humphrey would be making a trip to Las Vegas during the California campaign or within the next few days. And he felt that that would be of interest to me or to the campaign.

Mr. SANDERS. He said that he was going to pick up cash in Las Vegas?

Mr. RUBIN. No.

Mr. SANDERS. Did the caller state how he was going to get to Las Vegas?

Mr. RUBIN. Yes; in a private plane.

Mr. SANDERS. Did the caller identify the plane?

Mr. RUBIN. No.

Mr. SANDERS. Or the location of the plane?

Mr. RUBIN. No.

Mr. SANDERS. Was it a man or a woman?

Mr. RUBIN. A woman.

Mr. SANDERS. Can you describe the voice in any way?

Mr. RUBIN. No.

Mr. SANDERS. Have you ever heard it before?

Mr. RUBIN. No.

Mr. SANDERS. Or since?

Mr. RUBIN. No.

Mr. SANDERS. How did the caller address you?

Mr. RUBIN. Mr. Rubin.

Mr. SANDERS. Did you receive the call at the campaign office?

Mr. RUBIN. Yes.

Mr. SANDERS. Did you take it personally, or was it a call that came and was relayed to you by another employee?

Mr. RUBIN. I guess through the switchboard.

Mr. SANDERS. Was this within a few days of the California primary?

Mr. RUBIN. I would say a couple of weeks. Yeah, I think a couple of weeks.

Mr. SANDERS. Did you ask the caller to state her name?

Mr. RUBIN. I asked who it was.

Mr. SANDERS. What was the response?

Mr. RUBIN. A click off on the phone.

Mr. SANDERS. What did you do in response to the call, in reaction to the call?

Mr. RUBIN. Nothing much. As I say, I mentioned it to Frank. Frank obviously mentioned it to Hunter.

Mr. SANDERS. Somebody mentioned it to Hunter. It is not clear from this that it was Mankiewicz.

Mr. RUBIN. It could have been somebody else.

Mr. SANDERS. Do you know that Mankiewicz told Thompson?

Mr. RUBIN. No; I do not.

Mr. SANDERS. Did the McGovern campaign send any persons to watch a plane of Senator Humphrey?

Mr. RUBIN. No; we did not.

Mr. SANDERS. To watch any plane which was thought to be the subject of this call?

Mr. RUBIN. No. Thompson called me, and I told him it was a very silly story. I said I did not know where he could have gotten such a story from.

Mr. SANDERS. Thompson quotes Mankiewicz as saying, after Thompson told Mankiewicz a few things, he knew about the story and Mankiewicz, in turn, said, "You could cause a lot of trouble for us by printing a thing like that. They would know where it came from, and they would check our man right out." Do you have any knowledge of what Mankiewicz is alleged to be referring to?

Mr. RUBIN. No; I do not.

Mr. SANDERS. It says here. "Two McGovern operatives were dispatched, and somebody from McGovern headquarters called Humphrey and warned him they knew what he was up to." Do you believe that is false?

Mr. RUBIN. Do I think that is false?

Mr. SANDERS. Yes.

Mr. RUBIN. Yes. I think it sounds like a great deal of poetic license.

Mr. SANDERS. Thompson states that he placed a call to you in attempting to get further explanation of the story and you said, "That's one story you're never going to hear." Is that true or false?

Mr. RUBIN. That I said, "That's one story you're never going to hear"?

Mr. SANDERS. Yes.

Mr. RUBIN. No; I do not think I said that.

Mr. SANDERS. Did you say anything to that effect?

Mr. RUBIN. What I said to him was that there was no such story, and that we knew nothing about it. I thought it was one thing to have somebody calling you and talking about the Senator going to Las Vegas and another thing to have a reporter printing something that might well be slanderous.

Mr. SANDERS. Did you acknowledge to him that you had received a phone call?

Mr. RUBIN. No.

Mr. SANDERS. Did you deny it to him?

Mr. RUBIN. I do not know if he asked me if I received a phone call.

Mr. SANDERS. Then he states that later in the campaign you told him that the true story of the U–13 was essentially the same as the version he had pieced together; that the only thing he did not know was that Humphrey eventually got the money anyway. Did you tell him that?

Mr. RUBIN. Absolutely not.

Mr. SANDERS. Did you tell him anything to that effect?

Mr. RUBIN. Nothing to that effect. Would I ever say anything to anybody about Humphrey getting money?

Mr. RAUH. Does that not sound like there were two conversations? Did you have one or two?

Mr. RUBIN. I met Thompson once or twice in Washington, once at Palevsky's.

Mr. RAUH. Was there any conversation at Palevsky's by the so-called U–13 team?

Mr. RUBIN. No.

Mr. RAUH. The only conversation was when he called you on the phone?

Mr. RUBIN. Right.

Mr. RAUH. If he is saying there were two, he is wrong about that?

Mr. RUBIN. I saw Thompson in Washington.

Mr. RAUH. He is claiming there were two conversations. Is that correct? I am only picking up where you read.

Mr. SANDERS. It sounds like that he called once to find out the circumstances of the story, and I gather he is alleging that he was later told by you——

Mr. RUBIN. That it was correct?

Mr. SANDERS. Yes.

Mr. RUBIN. I had no such conversation with him. My first conversation was all of about 30 seconds. I was pretty annoyed, and I told him so.

Mr. SANDERS. Do you have knowledge of a computer firm which was used for sending out mailings on the part of the McGovern campaign?

Mr. RUBIN. Yes.

Mr. SANDERS. Do you have knowledge that that firm was owned or partially owned by Herbert Kalmbach?

Mr. RUBIN. No, although people have called me and asked me that question.

Mr. SANDERS. During the campaign were you aware of any financial interest on the part of Kalmbach and that firm?

Mr. RUBIN. No. You are talking about Computer Ideas?

Mr. SANDERS. I am talking about computer services and sending out mailings.

Mr. RUBIN. The name of the firm is Computer Ideas.

Mr. SANDERS. I do not know the name of the firm. Is that it?

Mr. RUBIN. Yes.

Mr. SANDERS. Did one of your mailings not reach the addressees?

Mr. RUBIN. It is difficult for me to say what happened. Computer Ideas was the mailing house, and they had never done the kind of work that I asked them to do. I think I mentioned to you in addition to fund-raising I asked them to do direct voter canvass work in California.

What they were asked to do was do a very complicated job, which was to put together the voter list from the 51 counties in California, some of which were on tape to begin with, some of which had to be punched in, and some of which were on nonanalogous tape, some IBM and Remington Rand, and then to cross into that phone list which I arranged for the people in the campaign to buy, and then to

take reverse telephone directories and punch the reverse telephone directories in and create a key you know, so the phone numbers would match up against the 5,100,000 names. That got out of hand right away.

As a matter of fact, I was always hesitant to start it with anybody, because I think I understood the scope of what would have to be done.

As you probably know, we put the bulk of the campaign into that program. It cost $1 million for that computer program and the telephone banks.

The gist of this was that they would end up—hopefully, they were supposed to end up with a printout for the people in the campaign, broken down into 23,000 precincts, and each precinct had a package, and that package had a computer printout inside with the number of precinct voters with the name, address, telephone number, except where there were unlisted numbers. And then they were keyed as to whether they were black, Jewish, or Mexican-American through the use of ethnic glossaries and punching in the census data and against the tape, crossing the census data against the tape, so any precinct that had more than 85-percent black was identified as a black precinct. Then it had their voting preference on it—you know, for McGovern, leaning toward McGovern, I don't know what I'm doing here, leaning away, against McGovern, and then why either way, what issue they were interested in.

Those issues were keyed to a number. Every day, those things had a map on the back of where the canvasser was to go, and the canvasser started out in the morning to take this thing around from house to house. And he had this little speech, you know, and he would find out what the voter's preference was; then he would circle that.

At night all that was collected, and it was keypunched at two locations, one set up in northern California, one in southern California. Those tapes when they went into Computer Ideas, and they crossed those tapes against the master file periodically, what came out were about 30-odd letters. The first shot, you know, if you are a "1," and you are a Mexican-American, and you lived in the district where the majority of people rented a home, you got a certain kind of a letter signed by George McGovern. If you were black, you might get a different kind of letter. The letters were addressed—obviously, if you were black and you were interested in the war, you got a different kind of letter. So there were about 30 letters.

Then the phone bank, they ran 1,000 telephones with about 1,000 operators who did the same thing, initially covering the people that could not be covered on foot, or the NH's. That is, if you were cued in an NH, that you were not at home, then the operator would phone you and ask you the same question. The difference being the operators were professional, so they would say "Good evening; I am working for George McGovern," the other people came by on foot—anyway, it became obvious to me that the Computer Ideas could not handle it.

The reason I am going into this whole thing, I have probably been asked 50 times now whether we were sabotaged. We always expected to be sabotaged, at least I did.

Mr. SANDERS. Did you design that program?

Mr. RUBIN. Yes, but I—at the end of the program just to finish it off as to why—it was a kind of a key to the campaign. I designed and turned it over to the campaign and then I was not involved in that. After the first letter, the following things happened on election day: before election day there were 23,000 printouts, what had just the name of the 1's and 2's in those precincts where we were in trouble, or they thought they were in trouble, that's the way it was programed, and then every precinct had a person who was responsible for getting those 1's out to vote and if he was instructed to get the 2's out to vote, then every 1 got a mailgram the day before that came off the computer telling them where their voting booth was. Again, if they were black they got one kind of mailgram and so on.

So it became very important that the wrong people not get polled, in other words, that the 5's not get polled instead of the 1's getting polled. And, as time went on, I know the campaign got fidgeter and fidgeter, especially since we had an 85-percent canvass ultimately, they had the voting preference of the 4 million people, you know, on the computer.

Now that is a long way to come around to answering your question. A lot of things got screwed up. I am not trying to make an excuse as for Computer Ideas, the campaign hired a computer employee who just lived there and ultimately a good part of the canvassing section of the campaign ended up in Computer Ideas, just to make sure that nothing got fouled up, and it always got fouled up, but I do not have any knowledge that we were sabotaged. I was always paranoid after it once got started, I thought it was a mistake, that too much had gotten on the tape. In fact, at one point right before the end, I insisted on getting a duplicate of the tape, just on the off chance—there was not one tape, you know, it was a carton of tapes—just on the off chance that somebody would walk through with a magnet and erase the whole thing. They were supposed to run test tapes on election day. I am not sure that ever happened, it was so frantic down there. Our people were supposed to have a test tape. they would run right before election day to make sure the 1's were getting polled and not the 5's.

And if you ask me if I have knowledge of the fact that things did not get mailed, yes, a lot of things did not get mailed and they gave us an adjustment at the end.

Mr. SANDERS. Did you ever allege that the Republicans or someone acting on behalf of the Republican campaign purposely sabotaged?

Mr. RUBIN. No, I did not. As I said, there would be no way for me to say what was delivered and what was not delivered, quite frankly.

Mr. SANDERS. Do you have any information which would indicate that some particular mass mailing, either was not sent or was misdirected?

Mr. RUBIN. Yes, at the end they did not get everything done that they had hoped to get done. As a result, they made an adjustment of about $70,000–$80,000—so let us say there were 350,000-something that did not get mailed out. And afterwards they will come up to me and say your mail was left on a siding, or something like that. I put that down as kitchen gossip—maybe it was, maybe it was not—I was in the position to be able to sign, not have to worry about it.

Mr. SANDERS. Who was the person in the McGovern campaign who was in a very practical way responsible for assuring that this computer program worked as efficiently as possible?

Mr. RUBIN. Carl D'Agostino was one person. There were different people at different times. A fellow by the name of Bray, who was a computer fellow, there was a girl by the name of Cathy Douglas. I am not sure who was the computer expert.

Mr. SANDERS. Who did you deal with at Computer Ideas?

Mr. RUBIN. I made the initial contact for the campaign with a fellow by the name of Butcher, Bill Butcher. The fellow who ran Computer Ideas is a fellow by the name of Roger Haney. Then when I was down there once or twice, there were a lot of people around.

Mr. SANDERS. Did you have any contact during the campaign with the United Farm Workers organization?

Mr. RUBIN. No.

Mr. SANDERS. With Cesar Chavez?

Mr. RUBIN. No.

Mr. SANDERS. Do you have any knowledge of a pledge made by Senator McGovern to make a certain sum of money available to the Farm Workers for voter registration?

Mr. RUBIN. No.

Mr. SANDERS. Or by any individual in the McGovern campaign?

Mr. RUBIN. No.

Mr. SANDERS. Do you know Delores Huerta?

Mr. RUBIN. Yes.

Mr. SANDERS. Are you acquainted with her?

Mr. RUBIN. Yes.

Mr. SANDERS. Did you have any contact with her during the campaign?

Mr. RUBIN. I met her at the convention when my wife was there; yes.

Mr. SANDERS. Prior to the convention, did you have any association with her in the campaign?

Mr. RUBIN. No. My wife was a delegate, she was on the California delegation——

Let's take a recess.

[Recess.]

Mr. SANDERS. I just have a few more questions that I want to explore on the United Farm Workers. Do you know of any transfers of funds or contributions from any adjunct of the McGovern campaign to the United Farm Workers?

Mr. RUBIN. No; I do not. Should I?

Mr. SANDERS. Well, they are in southern California and you know a good deal of what is going on in the political world in southern California, I think.

Mr. RUBIN. I do not, but that is not the point. Again, the only knowledge I think I would have, you asked me a couple of times, I know that the Chicanos were very active to get out the vote in southern California, but I certainly do not know of any promises.

Mr. SANDERS. What do you know of funds being made available by the McGovern campaign for getting out the Chicano vote?

Mr. RUBIN. Again, it is not a good recollection, but I believe there were a substantial number of Chicanos—like 200 or 300 Chicanos—that worked in getting out the vote in the McGovern campaign.

I think they were paid for it, I think they got paid—my recollection is—$5 or $10 a day to get out the vote.

Mr. SANDERS. Do you know how these funds——

Mr. RUBIN. I am not sure they were farm workers, I know they were Mexican-Americans.

Mr. SANDERS. Do you know how these funds were made available? From the national committee? From the local committee?

Mr. RUBIN. I would assume in the primary, from the local committee and from the national committee. I do not know.

Mr. SANDERS. Do you know of transfer of funds from the national committee to the local committee for this purpose?

Mr. RUBIN. No, I do not.

Mr. SANDERS. Do you know a man by the name of Taugher?

Mr. RUBIN. No. In the campaign?

Mr. SANDERS. Yes, in southern California.

Mr. RUBIN. No. Taugher?

Mr. SANDERS. Taugher, I am sorry.

Mr. RUBIN. He was in northern California, the guy was in the primary, right.

Mr. SANDERS. Let us say California.

Mr. RUBIN. Right. The answer is yes I do.

Mr. SANDERS. Do you have knowledge of what activity he engaged in to get out the Chicano vote?

Mr. RUBIN. No, I do not.

Mr. SANDERS. Funds that may have been made available for that purpose?

Mr. RUBIN. No. I think he was in northern California.

Mr. SANDERS. From your experience in the campaign, who would be a person who would be knowledgeable about funds available for getting out the vote in California?

Mr. RUBIN. I would say Gary Hart, Rick ——

Mr. SANDERS. Stearns?

Mr. RUBIN. Yes. Gary Hart, Rick Stearns, Chuck Manatt.

Mr. SANDERS. Do you know if there was a principal person within the McGovern campaign who had responsibility for the liaison with the United Farm Workers?

Mr. RUBIN. No, I do not.

Mr. SANDERS. Do you have any knowledge of individuals who were active in the April 22 coalition?

Mr. RUBIN. No.

Mr. SANDERS. Actually, the April coalition in California?

Mr. RUBIN. What was that? Maybe you had better tell me about it.

Mr. SANDERS. The name does not mean anything to you?

Mr. RUBIN. No, it does not.

Mr. SANDERS. No further questions.

Mr. O'HANLON. You mentioned earlier about some of these loans late in October being converted, the balance due on the loans, and an effort being made to have them converted to contributions?

Mr. RUBIN. Yes.

Mr. O'HANLON. Do you know whether a letter was sent out to the people that had loaned the money, making that suggestion?

Mr. RUBIN. I do not think so; I think most of it was a kind of a personal appeal, although Henry might have sent out a couple of individual letters.

Mr. O'HANLON. They would have been personal letters of his going out? Not a form letter?

Mr. RUBIN. I do not think so; I do not recall one. I do not think so.

Mr. O'HANLON. Well ——

Mr. RUBIN. I think most of them when they were asked were very generous, and surprisingly so, I thought. Again, I do not know how it ended up. My guess would be that probably— gee, I do not know, $2½ million—you would probably know that better than I that $2½ million was contributed out of the loans.

Mr. O'HANLON. It was a successful program as far as the loan program?

Mr. RUBIN. Not really. You asked me whether I think it is, personally?

Mr. O'HANLON. Yes.

Mr. RUBIN. There was some embarrassment involved and some people did not want to waive their loans. That was perfectly understandable. I always went out of my way and I really did go out of my way to explain to everybody that not everybody was waiving; and the same proportion, if they were waiving at all. Of course there were people that did not want to waive their loans; and people who would say, I will waive 10 percent; there were people who said, I will waive everything that is owed to me. I am not sure there was not some ill feeling. I think to do it all over again, it was not the best way to do it.

Mr. O'HANLON. How about direct mail? Was that successful? The direct mail program, did you have anything to do with it?

Mr. RUBIN. That was tremendously successful, I think. Do you mean so far as fundraising was concerned?

Mr. O'HANLON. Yes.

Mr. RUBIN. That was tremendously successful. The direct mail and the television.

Mr. O'HANLON. The trailers?

Mr. RUBIN. No, there were three television shows that brought in a phenomenal response. One television show brought in 50,000 pieces of mail which was close to $1 million, between $850,000 and $1 million. Another show that cost $140,000 I would say, at the time for—from that point of view it was probably the most successful effort of the television efforts. Half our television shows and they would have a trailer at the end, they were coming in pretty good.

Mr. RAUH. They were probably the most successful.

Mr. O'HANLON. What type of show was that? I did not see it.

Mr. RUBIN. George McGovern got on and he talked about his vision of America. For those of us who were touched by it in February, we were still touched by it in October and sent the money in.

I think the appeal on the war—that is the one that I am talking about, the antiwar television show is the one that brought in the most money. There was an anticorruption speech that brought in almost as much.

Mr. O'HANLON. One other question.

Mr. RUBIN. If we had started them earlier, we could have funded the whole campaign. There was not a television show that did not make $400,000.

Mr. O'HANLON. The television show?
Mr. RUBIN. A half-hour television show.
Mr. O'HANLON. In which the candidate spoke?
Mr. RUBIN. He did, or somebody else did.
Mr. O'HANLON. Not entertainment?
Mr. RUBIN. Not the concert. That was another source or form of fundraising, the concerts. Again, if the campaign could have had more concerts, we could have earned a lot more money.
Mr. O'HANLON. You mention you filed a gift-tax return, was that a protective return or was that a tax-paying vehicle?
Mr. RUBIN. I paid taxes on those contributions that were more than $6,000.
Mr. O'HANLON. Yourself and wife?
Mr. RUBIN. Right, there was a figure my accountant gave me of $59,500 for the gifts, reportable as——
Mr. O'HANLON. Taxable gifts?
Mr. RUBIN. Yes, the two returns, 1971 and 1972 returns.
Mr. O'HANLON. Just one more question. That is again, your suggestions as to how you might reform or improve the financing of campaigns.
Mr. RUBIN. If you are really interested—I am sure you would not ask if you were not—I believe very strongly that there should be public financing of the elections. I understand all the problems that would be involved in that of determining how to handle the primaries, who is a legitimate candidate, what do you do about new candidates, what do you do about new parties, how you let someone get started; I saw a bill down here one day that no candidate or individual can contribute more than $100. You could not get matching funds until you are along so that if the candidate and his administrative assistant were to go to Massachusetts and make a speech there, they would have violated the law before they started.
There has to be a lot of thinking. I am sure if the Congress really wanted to sit down and work it out that there is a solution on a combination of public financing and individual contributions. I do not think individuals should be precluded from contributing to campaigns. I think it would be a lot healthier if the pressure were off large contributions. I am not one of those people that think large contributions have necessarily subverted the system; I have never been involved in politics before. I can say to you my feeling is that large contributions that subvert the system are probably an aberration, you know, the proverbial rotten apple in the barrel.
Mr. O'HANLON. Do you have any suggested limit as to the size?
Mr. RUBIN. Probably my limit would be higher than other people's limits. I think a $500 limit, I would not make the limit high enough so that it was worthwhile for people to figure out a way to get around the law; then they can go ask their relatives to give money or something like that.
Keep it reasonably low, say $500 or something like that. I do not think that would hurt the system.
On the other hand, I would not frame it so it was too much in favor of a candidate who was good at direct mail. Direct mail has very little to do with politics, as the McGovern campaign proved. If you are good at selling things by direct mail you could probably raise a lot of money, direct mail in politics. It would be kind of unfair to say

only that those people get $25 contributions and big amounts are going to get matching funds, or $100—I have seen suggestions like that. That would subvert the system too. You could spend all your time and effort just getting small contributions. I think one of the dangers is that of moving too quickly and ending up with the wrong bill. There seems to be a real danger of that. Just as I think the present bill has tremendous problems, probably because it was done in a hurry, I do not know the history of the current law. I think that anything that is done new has to be gone through carefully.

Mr. O'HANLON. Do you think it should be limited to the Presidential election?

Mr. RUBIN. Not at all. I feel much more strongly it is needed on the congressional than on the Presidential level.

Mr. O'HANLON. No further questions.

Mr. SANDERS. Just one other little series, here.

The Hugh Hefner contribution.

Mr. RUBIN. Yes.

Mr. SANDERS. Were you in personal contact with him for that?

Mr. RUBIN. No; I was not.

Mr. SANDERS. Do you know who solicited that?

Mr. RUBIN. Yes; I think that was solicited at a dinner in New York known as the Caplin Dinner, at which a great deal of money was committed—like a $1 million or something of that nature—for the campaign.

Mr. RAUH. The story of that dinner was in the newspapers at the time, I remember my mouth watering.

Mr. RUBIN. That dinner might have been in Chicago, I think it was in New York.

Mr. RAUH. It was in New York, I read about it in the paper.

Mr. RUBIN. I assume you are talking about the $50,000 contribution?

Mr. SANDERS. Yes. Did McGovern's campaign to your knowledge receive contributions from Howard Samuels?

Mr. RUBIN. In New York?

Mr. SANDERS. Yes.

Mr. RUBIN. Not to my specific knowledge, I would have thought he would have contributed to the campaign and there was a time, I remember, when Howard was going to be New York State campaign manager for Senator McGovern.

Mr. SANDERS. You did not solicit any contributions from him?

Mr. RUBIN. Howard was very helpful to me in introducing me to people in New York. I do not think I ever asked him personally for money. I always assumed that he had contributed out there.

Mr. SANDERS. Do you know of any overt act on his part to raise funds from others?

Mr. RUBIN. For McGovern?

Mr. SANDERS. Yes.

Mr. RUBIN. Yes. Howard Samuels?

Mr. SANDERS. Yes.

Mr. RUBIN. The fellow that is running for Governor?

Mr. SANDERS. Yes.

Mr. RUBIN. Yes.

Mr. SANDERS. What did he do to raise funds for McGovern?

Mr. RUBIN. Let me see, he introduced me to a number of key people in New York that I did not know who afterward became the McGovern New York Fundraising Committee which became a very important part of raising money.

Not so much for Washington, but you know, raising a substantial amount of money for the campaign in New York and he took me to a number of people who did not contribute. Principally people in the Jewish community.

Mr. SANDERS. Do you have knowledge of any dinners or parties that he hosted as fundraisers?

Mr. RUBIN. No. That he hosted?

Mr. SANDERS. Yes.

Mr. RUBIN. No.

Mr. SANDERS. Do you have anything else?

Mr. COSTA. No.

Mr. RAUH. You know there are two Howard Samuels in this campaign? Just so we keep them straight, one was the executive director of the Labor Committee for McGovern. There is often a confusion that occurs.

Mr. SANDERS. Are they both in New York?

Mr. RAUH. Yes.

Mr. RUBIN. The Howard Samuels I am referring to is the gentleman who is the operating head of Off-Track Betting.

Mr. RAUH. The other is a vice president of the Amalgamated Clothing Workers, and they got themselves good and confused during the campaign.

Mr. RUBIN. Wait a second, there was another union, the ILGWU. That ring a bell?

Mr. RAUH. International Ladies Garment Workers Union?

Mr. RUBIN. I remember that because I worked really hard on that one and they contributed I think $35,000.

Mr. O'HANLON. What is the initials of that again?

Mr. RUBIN. ILGWU.

Mr. O'HANLON. That is all the questions that I have, I thank you for your cooperation.

[Whereupon at 10:30 p.m., the hearing in the above-entitled matter was concluded.]

FRIDAY, OCTOBER 19, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 4:05 p.m., in room G–334, Dirksen Senate Office Building.

Present: Donald Sanders, deputy minority counsel; Richard O'Hanlon and Robert Costa, investigators, Gordon Freedman, staff assistant.

Mr. SANDERS. Would you state your full name, please?

TESTIMONY OF MS. MARIAN PEARLMAN, ACCOMPANIED BY HARRY HUGE AND HERB NATHAN, COUNSEL

Ms. PEARLMAN. Marian Rachel Pearlman.

Mr. SANDERS. And your home address?

Ms. PEARLMAN. 2000 N Street NW., Washington, D.C.

Mr. SANDERS. What is your office address?

Ms. PEARLMAN. 1625 Massachusetts Avenue NW., Washington, D.C.

Mr. SANDERS. What is your business association?

Ms. PEARLMAN. I am the head of the legal section of the Office of the Commonwealth of Puerto Rico.

Mr. SANDERS. You are an attorney.

Ms. PEARLMAN. That is correct.

Mr. SANDERS. Admitted to practice before the Washington, D.C., bar?

Ms. PEARLMAN. Yes.

Mr. SANDERS. How long have you worked for this present association?

Ms. PEARLMAN. Since April of 1973.

Mr. SANDERS. Are you presently serving in some capacity for the McGovern campaign for President in 1972?

Ms. PEARLMAN. No; I am not.

Mr. SANDERS. At some point during the campaign, did you hold an official position in the campaign?

Ms. PEARLMAN. Yes; I did.

Mr. SANDERS. What was that?

Ms. PEARLMAN. From the period of July 15, 1972, to June 7, 1973, I was treasurer of McGovern for President, Inc.

Mr. SANDERS. Did you hold any position in assisting the Presidential aspirations of Senator McGovern before July 1972?

Ms. PEARLMAN. Yes; I did. I was the national finance director with that title from January 1972 until July 15. Well, I continued in that capacity until the end of the campaign as well as treasurer, and I was a member of the Presidential campaign staff since June of 1971.

Mr. SANDERS. Was you first affiliation with the Presidential campaign in June of 1971?

Ms. PEARLMAN. Yes.

Mr. SANDERS. And can you state the circumstances of how you came to be connected with the campaign?

Ms. PEARLMAN. I knew people on the staff at that time and expressed some interest in joining the staff, and was hired to organize citizens' groups in June 1971.

Mr. SANDERS. Are you personally acquainted with Senator McGovern?

Ms. PEARLMAN. At that time?

Mr. SANDERS. I should say at that time is what I meant.

Ms. PEARLMAN. No, no; I was not.

Mr. SANDERS. Was there one individual that asked you to join the campaign?

Ms. PEARLMAN. Well, I knew Gary Hart, the campaign manager at that time, and he was the one with whom I discussed the possibility of my joining the staff.

Mr. SANDERS. Have you performed any official duties for the campaign after June 1973?

Ms. PEARLMAN. Yes; I was treasurer of some 34 gift tax committees which continued in operation until September 1973, and those committees were terminated in September 1973, and at that point in time I had no further formal association.

Mr. SANDERS. Was there any period of time during your service to the campaign that you were working full time?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Was it the entire time?

Ms. PEARLMAN. I worked full time from June 1, 1971, through March 31, 1973.

Mr. SANDERS. Were you salaried during that time?

Ms. PEARLMAN. Yes; I was.

Mr. SANDERS. Would you state your salary?

Ms. PEARLMAN. It changed. Do you want all salaries?

Mr. SANDERS. No; just the low and high.

Ms. PEARLMAN. Low was at an annual rate of $12,000. The high was at an annual rate of $18,000.

Mr. SANDERS. Was that the final salary, $18,000?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Until you became treasurer in July 1972, to whom were you responsible? You weren't totally autonomous?

Ms. PEARLMAN. No; I was responsible for some things to Henry Kimmelman, who was the fundraiser, and I was responsible for other things to Gary Hart and Frank Mankiewicz, and personally felt that my ultimate and primary responsibility was to Senator George McGovern.

Mr. SANDERS. What was Kimmelman's title during the campaign?

Ms. PEARLMAN. National finance chairman.

Mr. SANDERS. And I believe you said your position before being treasurer was national finance director?

Ms. PEARLMAN. Yes.

Mr. SANDERS. After you became treasurer, what was your relationship with Kimmelman, to or with Kimmelman?

Ms. PEARLMAN. We worked very closely together on a number of things. I was to keep him informed of our cash flow situation on an hour-to-hour basis, and just kept him generally informed of the operation of the office of the treasurer.

Mr. SANDERS. Did you feel that it was still Kimmelman to whom you were responsible after you became treasurer, principally responsible?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Who succeeded you as national finance director?

Ms. PEARLMAN. I continued to perform the same functions and I just kept—I guess I had two titles.

Mr. SANDERS. All right. Before you became treasurer, who was treasurer of the principal McGovern committee?

Ms. PEARLMAN. John W. Branner.

Mr. SANDERS. And why were you selected to succeed him?

Ms. PEARLMAN. Mr. Branner had served the campaign as a volunteer for at least a year at that point in time, and the function of the treasurer, once we became the nominee, was such that—I mean, it was not a part-time, volunteer job. It had to be a full-time job.

In addition, we needed somebody in the office who was performing that function, and he was never physically in our office.

Mr. SANDERS. Did he continue to serve the campaign after you became treasurer?

Ms. PEARLMAN. Yes, because we had not terminated McGovern for President D.C. Committee of which he was still treasurer. So he continued to perform certain duties in connection with that committee.

Mr. SANDERS. Did he perform any fundraising duties?

Ms. PEARLMAN. No. At no time to my knowledge did he perform any fundraising duties.

Mr. SANDERS. Well, I recognize we have gone over a number of aspects of your duties previously. I do not want to go into complete detail on all of those things again. I would like to get a brief overview here.

Can you state as an approximation the total amount of funds which were received by the McGovern campaign from the time of its inception until June of 1973?

Ms. PEARLMAN. Yes. Prior to April 7, 1972, the McGovern campaign raised—the national McGovern campaign raised $1.8 million. The McGovern for President D.C. Committee, which was the principal McGovern committee which operated between the period April 7, 1972——

Mr. SANDERS. You can break these down for me if you wish, but I do not need them broken down.

Ms. PEARLMAN. I just need it because I want to give you the precise figures that I have as opposed to just running a total in my head.

Mr. SANDERS. All right.

Ms. PEARLMAN. [continuing]. And which committee received receipts from April 7, 1972, through July 17, roughly, 1972, raised a total of approximately $3.8 million. And McGovern for President, Inc., which was the principal McGovern committee which received funds in the period July 17, 1972, through the end of the calendar year 1972, received approximately $23 million.

I do not have even an estimate of the amount of money raised and deposited in the Gift Tax Committees, but that is all a matter of public record in the GAO.

Mr. SANDERS. You never made any total calculation of the money in the Gift Tax Committee?

Ms. PEARLMAN. No, I guess I really never did. I never had any need for that figure.

Mr. SANDERS. Do you consider June of 1971 to be the inception of the McGovern Presidential effort?

Ms. PEARLMAN. No. The Senator announced on January 18, 1971. I believe the 18th. And in fact, he had a staff, a campaign staff really at least a year prior to that, a small staff.

Mr. SANDERS. At the time you joined the campaign in June of 1971, can you comment on the financial condition of the campaign at that time? Was it in the black, and if so, what were——

Ms. PEARLMAN. To my knowledge, it was in the black. I have no knowledge as to any figures because I was not working in the financial area at that time.

Mr. SANDERS. From the calculations you have made, can you state what was the balance on hand by the principal committees as of the end of 1972?

Ms. PEARLMAN. Well, there were two relevant figures, the cash on hand as of December 31, 1972, in McGovern for President, Inc., which was the only principal committee I believe operating at that time, was roughly $470,000, but we had outstanding debts of roughly $800,000.

Mr. SANDERS. $800,000?

Ms. PEARLMAN. [Nods in the affirmative.]

Mr. SANDERS. So you were $300,000 in the red.

Ms. PEARLMAN. Yes, in the hole.

Mr. SANDERS. And what was the financial condition as of the time that you terminated your service as treasurer of the principal committee in June of 1973?

Ms. PEARLMAN. We had cash on hand of approximately $290,000, and I believe that the outstanding obligations at that point did not exceed some $50,000.

So, we had a net surplus of $240,000.

Mr. SANDERS. Would this tend to indicate that about half a million dollars was collected in the first 6 months of 1973?

Ms. PEARLMAN. Not really. That is not really what happened. The large outstanding balance due at the end of 1972 reflected outstanding loans owed by the committee to a large degree.

Mr. SANDERS. The debts.

Ms. PEARLMAN. Right. And during the early months of 1973, agreements were negotiated with these lenders in which large portions of the outstanding loans were forgiven and transferred as contributions to other McGovern committees. In addition, there were some commercial obligations due in which we negotiated settlements with the creditors, so that while there was some money raised, or money which came in in 1973, all of which was reported, to my knowledge, much of this change in the financial position of the committee is a result of agreements worked out with creditors and lenders.

Mr. SANDERS. Are you aware of transfers made from the Senator's Presidential committee to his Senate committee?

Ms. PEARLMAN. No.

Mr. SANDERS. You have no knowledge of any such transfers?

Ms. PEARLMAN. The only situation of which I am familiar was not technically that sort of a transfer. When we terminated the committee on June 7, 1973, the cash on hand and the outstanding obligations were transferred to a successor committee which was created at that time, called the McGovern Committee, which is, to my knowledge, strictly a successor committee, a national committee. It files with the GAO. It does not file with the Secretary of the Senate; and to my knowledge, which is limited, it is not a Senate committee, to my knowledge, Senate campaign committee.

Mr. SANDERS. Did you say the McGovern Committee?

Ms. PEARLMAN. Yes, that is the precise name of the committee.

Mr. SANDERS. Do you know why the previous committee was dissolved and a new one formed?

Ms. PEARLMAN. Yes. It was on my recommendation because I now had another job and wanted to terminate my association completely with the McGovern campaign, and because of my obligations under the Federal Election Campaign Act to keep all of the financial records for a 4-year period, I figured that it would be much simpler to terminate the committee for which I was responsible, and have records that were segregated and clearly identifiable as records of that committee which I could then keep in my possession rather than mixing the records, which would naturally have to happen if somebody else were made the treasurer, because the checkbook would continue, the bank records would continue. This I thought was a much neater way to handle it and comply with my legal obligations.

Mr. SANDERS. Was the entire balance on hand transferred to the new committee?

Ms. PEARLMAN. Yes, it was.

Mr. SANDERS. Were you aware that Senator McGovern has senatorial campaign committees?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Do you know the identities of those committees?

Ms. PEARLMAN. No, I do not even know their names.

Mr. SANDERS. Do you serve as treasurer of any of them?

Ms. PEARLMAN. No, sir.

Mr. SANDERS. Do you know the identities of any of the treasurers of those committees?

Ms. PEARLMAN. No. I know the people who are involved with those committees, but I do not know who is the treasurer, or who is the chairman, or how many committees they have.

Mr. SANDERS. Could any funds have been transferred from one of the Presidential committees to a senatorial campaign committee without your knowledge?

Ms. PEARLMAN. No, because I signed on every checking account.

Mr. SANDERS. Well, could you have signed some checks for such transfers and just not now recall that you did so?

Ms. PEARLMAN. That is always a possibility, but I am pretty certain that I——

Mr. HUGE. Could you put a timeframe on that? We are obviously talking around June of 1973, right?

Mr. SANDERS. Well, no, really. I am talking of—I was thinking principally for the, let's say middle of 1972 to the middle of 1973, but I really did not intend putting a specific limitation on it.

Mr. HUGE. Well, I must admit I was taking the questions as in the period of June of 1973. Was that when you were answering the questions, or were you answering the same period?

Ms. PEARLMAN. The same answer would apply I think over the whole period. Let me state——

Mr. SANDERS. Well, let me restate the question.

Ms. PEARLMAN. OK.

Mr. SANDERS. At any time that you served in the financial capacity for the McGovern campaign for the Presidency, did you become aware of the transfer of any funds from the Presidential campaign committee or committees to any of his senatorial campaign committees?

Ms. PEARLMAN. No, I did not become aware.

Mr. SANDERS. Do you have knowledge of a committee operating on behalf of Senator McGovern by the name of Citizens for McGovern?

Ms. PEARLMAN. Yes, I do.

Mr. SANDERS. Can you describe that committee? I mean, what is the purpose or function of that committee?

Ms. PEARLMAN. I think that that has changed over a period of time. I think that is a longstanding committee. I had dealings with that committee principally around the time of the convention because the people who operated that committee were in charge of handling our convention arrangements and they paid the convention expenses and in actual fact, I do recall transferring money to that committee on several occasions in June, perhaps as far back as May, but I think principally in June and July of 1972, but that was specifically for convention expenditures, which were Presidential campaign expenditures. That committee is still in existence to my knowledge.

Mr. SANDERS. Is a Mr. Donley known to you to be the treasurer of that committee?

Ms. PEARLMAN. I know he operates the committee. I do not know what his technical relationship to the committee is.

Mr. SANDERS. Does the committee have an office.

Ms. PEARLMAN. Mr. Donley has an office.

Mr. SANDERS. Where is his office?

Ms. PEARLMAN. 1019 19th Street NW.

Mr. SANDERS. Is it actually his own business office?

Ms. PEARLMAN. It is several offices. It is his law office, as I understand it. It is also the South Dakota Development Group office.

Mr. SANDERS. Is that committee known to you to be a Presidential campaign committee?

Ms. PEARLMAN. I do not know at this point in time. I do know that it is registered and filed with the GAO, which would indicate to me that it is a national committee. I know that at least in the time around the convention it was operating as a Presidential campaign committee.

Mr. SANDERS. Did you serve at any time as the chairwoman of the Citizens for McGovern Committee?

Ms. PEARLMAN. I do not recall. I do not think so, but I really do not recall.

Mr. SANDERS. The indication that I have is that you were the chairwoman of record.

Ms. PEARLMAN. Do you have a period of time when that was the case, and are you sure——

Mr. SANDERS. This committee.

Mr. HUGE. The committee you are referring to is called Citizens for McGovern?

Mr. SANDERS. Yes. I do not have a time on that, but to your knowledge, did you ever serve as chairwoman of that committee?

Ms. PEARLMAN. I really do not think so. What I am hesitant about is that at a time when I was setting up gift tax committees, whether I would have set up a committee that I called Citizens for McGovern, which would have been a separate committee from the one operated by the Donley's, which is an old committee. I do not think that happened because I was aware of the existence of that committee, but obviously it is a possibility.

Mr. HUGE. When you say you do not think that happened, you mean you do not think you served as chairwoman of that——

Ms. PEARLMAN. I do not think I set up a separate committee entitled "Citizens for McGovern." I do not think I ever served as chairwoman of Citizens for McGovern at any time, I do not think.

Mr. SANDERS. Well, if that committee has been submitting reports to GAO—and I have not looked at the reports themselves—then I would assume that the chairman of record would be shown in those reports, and I will check that.

Ms. PEARLMAN. OK. It is also——

Mr. SANDERS. I thought since you were here, I thought you were going to—if you had been, I thought you would be telling me about it, and I have not yet gone and looked at the GAO reports.

Ms. PEARLMAN. I must say that it is possible that I was chairwoman and never knew it, but, I mean I did not know that I was chairwoman. I certainly never thought I was chairwoman.

Mr. HUGE. You do not recall being chairwoman?

Ms. PEARLMAN. I certainly do not recall ever being asked to be chairwoman.

Mr. SANDERS. Do you have knowledge of a committee called Citizens for McGovern Committee—U.S. Senate?

Mr. HUGE. Again, could we put a——

Ms. PEARLMAN. No, no.

Mr. HUGE. OK. I was just going to ask to put a timeframe on here because if you recall, the last time we were here we had all of these different committees, the gift tax committees under all of its various names, and it got confusing for me then. So if we could just put a timeframe on it.

Mr. SANDERS. I do not have any. I am sorry.

Mr. HUGE. OK. Well, the answer was no anyway.

Mr. SANDERS. Yes, the answer is no. Well, now that we have discussed the Citizens for McGovern Committee, with reference to Mr. Donley, who you said was the operator of that committee, do you have any knowledge of transfers of funds from the Donley committee to a senatorial campaign committee of Senator McGovern's?

Ms. PEARLMAN. I have no actual knowledge of any such transfers.

Mr. SANDERS. Do you have indirect knowledge?

Ms. PEARLMAN. I have spoken to Owen Donley, Mr. Donley, and I believe during the course of a conversation he indicated that that was the way he had the structure set up, that there was a committee

that was transferring funds to the Senate committee, but again, I did not really know the names of the committees involved.

Mr. HUGE. Wait a minute, was that your question?

Mr. SANDERS. Yes. My question is, was the Donley committee transferring funds to the Senate committee?

Mr. HUGE. Senate committee. Oh, I thought you said Senator's committee.

Mr. SANDERS. Senatorial committees for Senator McGovern.

Mr. HUGE. All right. OK.

Mr. SANDERS. And he mentioned to you that he was transferring funds to a senatorial committee?

Ms. PEARLMAN. I believe so.

Mr. SANDERS. Did he mention the size of the transfers?

Ms. PEARLMAN. No.

Mr. SANDERS. In what time period did this occur?

Mr. HUGE. Did the conversation occur?

Mr. SANDERS. Yes.

Ms. PEARLMAN. It would have been probably June of 1973.

Mr. SANDERS. Did you come to understand he was liquidating his committee?

Ms. PEARLMAN. No.

Mr. SANDERS. Did you receive any indication of the source of his funds?

Ms. PEARLMAN. No.

Mr. SANDERS. Or from anyone else or from any other source, do you know who Donley was obtaining funds from to be transferred to the Senate committee?

Ms. PEARLMAN. Well, I know there was a mailing done requesting campaign contributions to the Senate campaign on behalf of Senator McGovern because I received a copy of the letter. So I would assume that that was the source of funds.

Mr. SANDERS. Did Donley operate that mailing?

Ms. PEARLMAN. I think so. I do not even really know.

Mr. SANDERS. Were any funds transferred from any of the principal McGovern Presidential campaign committees to the Donley committee, Citizens for McGovern?

Ms. PEARLMAN. Well, as I mentioned——

Mr. SANDERS. Well, other than the convention expenses you have already mentioned.

Ms. PEARLMAN. We used the Citizens for McGovern Committee occasionally as a gift tax committee, and I believe that there were some instances, not very many, of loans or contributions that were made to Citizens for McGovern which were for the Presidential campaign in a situation where it was a loan and the loan had to be repaid by Citizens for McGovern. It is possible that the principal McGovern Presidential committee transferred funds to reimburse them for the repayment of that loan, but I would guess this happened not more than 10 times, and we are probably talking about the period of August through October, 1972.

Mr. SANDERS. Have you at any time calculated how much money was received by the McGovern campaign in the form of cash?

Ms. PEARLMAN. No.

Mr. SANDERS. Do you have knowledge of any contributions received by McGovern campaign of $1,000 or more in the form of cash?

Ms. PEARLMAN. No.

Mr. SANDERS. Now, there is the situation of Miles Rubin spending cash of his own in some of the primary States.

Was this reported to you for recordkeeping purposes?

Ms. PEARLMAN. The only instance with which I am familiar was in New Hampshire, and yes, it was reported to us for recordkeeping purposes and appears on our voluntary disclosure which covers that period. It was not reported to us in terms of whether it was cash or check, however. It was just a total amount of money expended by Mr. Rubin.

Mr. SANDERS. And you think his cash expenditures were limited to the New Hampshire primary?

Ms. PEARLMAN. That is the only information I have, is that his personal expenditures occurred in New Hampshire.

Mr. SANDERS. Did he work in the Wisconsin primary?

Ms. PEARLMAN. What do you mean by work?

Mr. SANDERS. Was he in Wisconsin actively attempting to develop support for McGovern in advance of the Wisconsin primary?

Ms. PEARLMAN. I do not know, but I do not think so. I do not really know.

Mr. SANDERS. Did you ever learn that he was in Wisconsin spending cash in a similar manner to what he did in New Hampshire?

Ms. PEARLMAN. No. I know he lent us money for Wisconsin, but that was handled, that was not cash, and I do not know whether he was in the State at that time. I do not happen to think he was, but you know, I just do not know.

Mr. SANDERS. What is your understanding of what he spent? What things were paid for by cash by him in New Hampshire?

Ms. PEARLMAN. I do not have any direct knowledge of that. I do not know.

Mr. SANDERS. His report to you did not include any breakdown of his expenditures?

Ms. PEARLMAN. That is correct, it did not.

Mr. SANDERS. What did he report to you?

Ms. PEARLMAN. I believe the figure is $23,800.

Mr. SANDERS. He just gave you a total sum?

Ms. PEARLMAN. That is right.

Mr. SANDERS. Do you know of any solicitations of gifts of cash by campaign officials?

Ms. PEARLMAN. No.

Mr. SANDERS. During our first interview, you made some mention of some sort of a staff conference where you tried to discourage the collection of cash or solicitation of cash. I have forgotten exactly what you had to say about it.

Ms. PEARLMAN. I remember that discussion. I believe it occurred after I became treasurer of the committee, you know, of the principal committee, and I was treasurer of all the others, and I attempted to explain the requirements of the campaign financing law to the fund-raisers and other finance people who were present at the meeting, although I do not have a precise recollection of who was there. But I do know that I indicated that prior campaign practices were changed by this law in that raising contributions in cash and spending the cash without reporting it was just not allowed under this new law, and they were to be aware of that fact.

Mr. SANDERS. This conversation, then, had to have occurred at about the time of the effective date of the new law.

Ms. PEARLMAN. No. It occurred after I became treasurer of the principal committee, which was in, probably in July, well, in July of 1972.

Mr. SANDERS. Well, were you prompted to make those remarks because of activity which had been going on in the McGovern campaign, in that campaign?

Ms. PEARLMAN. No.

Mr. SANDERS. July is several months beyond the April 7 effective date of the new law. I am wondering why you felt the need to make mention of these——

Ms. PEARLMAN. Well, the obvious difference was we were now the nominee and on April 7 when the law went into effect, we just found out that we were going to be around for the convention. You know, we were having so much trouble raising money on April 7, I just did not anticipate any problem at that point in time with any large cash contributions because we could not get any kind of contribution.

Mr. SANDERS. Who did you regard as the largest single contributor to the McGovern campaign?

Ms. PEARLMAN. Stewart Mott.

Mr. SANDERS. Did anyone run close to him?

Mr. HUGE. What do you mean close?

Mr. SANDERS. Who was the second largest contributor?

Ms. PEARLMAN. I suspect it was Max Palevsky.

Mr. SANDERS. Was Henry Kimmelman an active fundraiser of the campaign?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Who was the principal fundraiser of the campaign in your opinion? Let me qualify that. Who was the principal raiser of large gifts?

Ms. PEARLMAN. I would say that there were three people and that really you could not say that there was one, and those three people would be Henry Kimmelman, Miles Rubin, and Bill Rosendahl, who really worked at Kimmelman's direction. So I suppose really that only makes it two people.

Mr. SANDERS. How do you spell the latter name?

Ms. PEARLMAN. R-o-s-e-n-d-a-h-l.

Mr. SANDERS. Did he work in the campaign during all of 1972?

Ms. PEARLMAN. Yes; but in several capacities. He became a fundraiser I would guess in the summer of 1972.

Mr. SANDERS. Do you know where he is now?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Do you know what his business was?

Ms. PEARLMAN. What do you mean?

Mr. SANDERS. Was he an attorney?

Ms. PEARLMAN. No; he is not an attorney.

Mr. SANDERS. Is he connected with any business corporation?

Ms. PEARLMAN. He went to work for someone after the election and my most recent information is that he has left that job, and I do not know what he is doing now or where he is.

Mr. SANDERS. Do you have knowledge of funds received by the McGovern campaign from a committee which was known as the

Amendment To End the War Committee? There was the McGovern-Hatfield amendment, if you remember.

Ms. PEARLMAN. I was trying to place that because there were a lot of committees that made contributions. No; I do not.

Mr. SANDERS. To your knowledge, did any McGovern Campaign Committee transfer funds to the United Farm Workers?

Ms. PEARLMAN. To my knowledge, no national committee made such a transfer.

Mr. SANDERS. Did you transfer funds from the national committee to a State or local committee in California to be used for subsequent transfer to the United Farm Workers?

Ms. PEARLMAN. Not to my knowledge. I know that I transferred money to California committees, as we did to other State committees.

Mr. SANDERS. Did Senator McGovern make a commitment to provide a certain sum of money to the United Farm Workers?

Ms. PEARLMAN. I am not aware of such a commitment.

Mr. SANDERS. Did you ever learn by any means that—maybe I asked this—that a State or local committee did transfer funds to the United Farm Workers?

Ms. PEARLMAN. No, I never learned that.

Mr. SANDERS. Well, do you know of funds that were made available, campaign funds that were made available to the United Farm Workers to help them register voters or get out to vote?

Ms. PEARLMAN. No.

Mr. SANDERS. Do you know of a McGovern campaign committee called El Pueblo con McGovern?

Ms. PEARLMAN. That sounds familiar, but I do not—the problem is, if it was not a national committee, or one operating out of the citizens groups, then I would not know about it, but it sounds familiar but I cannot place it.

Mr. HUGE. What was that committee?

Mr. SANDERS. El Peublo con McGovern.

Mr. HUGE. Do you have an address for this committee?

Is it an actual committee?

Mr. SANDERS. Well, there was a charge which was in a UPI wire service story that the National Council of Agricultural Employers said that McGovern was diverting funds to the Farm Workers to support a nationwide lettuce boycott. Do you have any knowledge that such occurred?

Ms. PEARLMAN. I do not.

Mr. SANDERS. The executive vice president of that group said that up to $73,000 was diverted to the boycott.

Ms. PEARLMAN. When was this?

Mr. SANDERS. Well, I believe this is November 2. I would suspect that is 1972, just before the election.

Ms. PEARLMAN. I have no knowledge of any such comments.

Mr. SANDERS. Then on October 31, 1972, there was a press release issued by a CRP Committee in Los Angeles alleging that McGovern's campaign had contributed more than $50,000 to the United Farm Workers Union, that over 150 farm workers were paid to sabotage a meeting of Republican women visiting Fresno.

Ms. PEARLMAN. I have no knowledge of any such situation.

Mr. SANDERS. Off the record.

[Discussion off the record.]

Mr. SANDERS. Back on the record.

Are you familiar with the document published by Citizens Research Foundation which compiles all voluntary disclosures of contributors by the Presidential campaigns prior to April 7, 1972?

Ms. PEARLMAN. I think I have seen it, but just briefly looked at it.

Mr. SANDERS. It purports to include all the public disclosures, voluntary disclosures made by the McGovern committees up to April 6, 1972, and it is indicated that these were based—that this information is based on information which was provided by the various Presidential committees.

Did you assist in the compilation of information which formed the basis for a public disclosure by the McGovern campaign?

Ms. PEARLMAN. Yes, I did.

Mr. SANDERS Did you personally have a hand in it, or was it done under your direction, or how did this come about?

Ms. PEARLMAN. I believe I compiled the lists.

Mr. SANDERS. What was the nature of the records from which the information was compiled?

Ms. PEARLMAN. The list of contributors which formed our records of bank deposits and direct mail receipts.

Mr. SANDERS. Are you saying that your bank deposits were so itemized as to show the identity of the contributors from whom the sum of money was received?

Ms. PEARLMAN. In certain bank accounts, yes.

Mr. SANDERS. Are there others where it was not so shown?

Ms. PEARLMAN. The account in which the direct mail receipts were deposited did not have an itemized list of all contributors which made up that deposit on a given day. There were direct mail records kept.

Mr. SANDERS. I want to direct my question to contributions which were other than in response to your direct mail solicitation. Are you saying that the only records of receipt of those contributions would be on the bank slips, the bank deposit slips?

Ms. PEARLMAN. No. It was a list that was kept either typed or handwritten which listed the date of the receipt of the contribution, the address, and name and address of the contributor and the amount. It was not kept in the checkbook.

Mr. SANDERS. Was this prepared daily?

Ms. PEARLMAN. It was prepared as receipts came in.

Mr. SANDERS. You kept a running list of receipts as they came into the office?

Ms. PEARLMAN. That is correct.

Mr. SANDERS. Did you say it was typed?

Ms. PEARLMAN. The ones prepared before I started to keep the records were typed. My records were not typed.

Mr. SANDERS. Were these entries made in some sort of a book or ledger or were they on single sheets of paper?

Ms. PEARLMAN. Single sheets of paper.

Mr. SANDERS. And as a page was filled, what happened to it? Was it placed in a folder or binder or book?

Ms. PEARLMAN. It was placed in the file folder in which the bank account, you know, where the checkbook was kept.

Mr. SANDERS. Do you still have that file folder today?

Ms. PEARLMAN. I have the lists. I am not sure—I think the file folders are in storage.

Mr. SANDERS. I mean, do you have the contents of the file folders? You have the lists?

Ms. PEARLMAN. I have the lists.

Mr. SANDERS. This then would be—you are speaking of a list of contributors of sums which were obtained by means other than the direct mail solicitation.

Ms. PEARLMAN. That is correct.

Mr. SANDERS. What was the date of inception of this system of recordkeeping?

Ms. PEARLMAN. It predated my arrival on the campaign.

Mr. SANDERS. Do you know what the earliest date is on it?

Ms. PEARLMAN. No, I do not recall offhand.

Mr. SANDERS. Until when does it continue?

Ms. PEARLMAN. About the middle of March 1972.

Mr. SANDERS. And why did you cease keeping it at that time?

Ms. PEARLMAN. Because I was having cash flow problems with one of the banks in which one of these accounts was maintained, so that when I got checks independent of the direct mail solicitation, I brought them back to the people who were processing the direct mail receipts, and they were handled as direct mail receipts, and deposited with the direct mail receipts into a different bank.

Mr. SANDERS. From beginning about the middle of March, did you say?

Ms. PEARLMAN. That is right.

Mr. SANDERS. You said for the rest of the campaign?

Ms. PEARLMAN. Yes.

Mr. SANDERS. And in what manner were the direct mail receipts recorded?

Ms. PEARLMAN. They were recorded by code so that they had some way of knowing what mailings were bringing what response in terms of number of contributions, number of contributors, and total amounts raised.

Mr. SANDERS. Was it recorded in a book or on cards or on sheets of paper?

Ms. PEARLMAN. I believe on cards and sheets of paper.

There was also an itemization of contributions over a certain amount. I forget what the amount was.

Mr. SANDERS. Well, then, the disclosure on which the CRF publication purports to be based for those contributions not received by means of direct mail, your release of information was based not then on the sheets on which you kept running lists but on your actual bank deposit lists.

Ms. PEARLMAN. No, it was based on the sheets on which I kept the running list, the bank deposit information and the direct mail receipts prior to April 7.

Mr. SANDERS. OK. Do you have knowledge of any contributors' names being withheld from that public disclosure, consciously withheld?

Ms. PEARLMAN. Not to my knowledge, not that I recall.

Mr. SANDERS. What I am getting at here is whether any contributors who might have asked that their names be kept anonymous, whether some indication of their desires was marked on your lists, and whether then their names were not publicly revealed.

Ms. PEARLMAN. No. There was no, to my knowledge, there was no request ever made that a contribution be made anonymously, and there is no indication on any of our records to that effect.

Mr. SANDERS. What records do you have today, what records today do you have custody of resulting from your work in the campaign? Now, if you could just give me a general outline, some kind of a brief description.

Ms. PEARLMAN. I have all April 7 and beyond financial records, bank books, bank statements, canceled checks, and copies of the GAO reports I guess I have.

Mr. SANDERS. Do you have whatever records were prepared of the original entries of receipts and disbursements?

Ms. PEARLMAN. I think so.

Mr. SANDERS. Do you have all such records from April 7, 1972, until sometime in June 1973?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Where are the pre-April 7 records, financial records?

Ms. PEARLMAN. To the best of my knowledge, the bank books and the folders are in storage with the rest of the material. The itemized lists that I described before, I have at home with some other records that I have.

To the best of my knowledge, I have all of the pre-April 7 records, but I have not really looked at them. I do not know. But it is in storage with everything else.

Mr. SANDERS. Well, the records which you say you have custody of today, where are they physically located?

Ms. PEARLMAN. Well, some 400 cubic feet of them are in Security Storage Co. warehouse in Tysons Corner, and there are two, four-drawer legal sized file cabinets filled with records in my home at the present time.

Mr. SANDERS. To your knowledge, are any McGovern campaign financial records located elsewhere?

Ms. PEARLMAN. I think I have a trans-file in Henry Kimmelman's basement.

Mr. SANDERS. What is in that cabinet?

Ms. PEARLMAN. The closed Gift Tax Committee's reports that were, I think, the ones that were closed, in the winter of 1972 I think.

Mr. SANDERS. Are any financial records located elsewhere?

Ms. PEARLMAN. Not to my knowledge.

Mr. SANDERS. I assume you are generally aware that there were 700 plus committees in existence at one time or another during the McGovern campaign.

Ms. PEARLMAN. I have heard that; yes.

Mr. SANDERS. How many of these would you take credit for?

Ms. PEARLMAN. I guess I would have to say I would take responsibility for, I think, about 140 national committees I think is what we ended up with.

Mr. SANDERS. Why did you find it necessary to establish so many committees?

Ms. PEARLMAN. Because of the provisions of the gift tax law.

Mr. SANDERS. Are you saying that you formed these committees to provide a vehicle for large donors to split up their contributions so that no one committee would get more than $3,000?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Did you have advice of other counsel in deciding to do this?

Ms. PEARLMAN. Would you explain that?

Mr. SANDERS. Was it your decision to do this? [pause]. Well, if you wish to elaborate and explain how the thing came to be, go right ahead.

Ms. PEARLMAN. There were a couple of committees in existence when I became a part of the finance staff. I believe the accurate way to describe what happened was that contributors wished to contribute in amounts of either $3,000 or $6,000, depending on their marital status, and requested lists of committees from us. So, in order to facilitate the contributors, we set up committees, multiple committees.

Mr. SANDERS. Well, you stated that you are responsible for the establishment of about 140 of them on the national level.

Ms. PEARLMAN. I do not think I said establishment.

Mr. HUGE. You did not say establishment.

Mr. SANDERS. I am sorry. What did you say?

Ms. PEARLMAN. I said I was responsible for some 140 committees.

Mr. SANDERS. OK. Who established them, who created them?

Ms. PEARLMAN. Well, I registered most of them, and I suppose technically I created them.

Mr. SANDERS. Who made the decision to create such a vast number of them?

Mr. HUGE. We may object to the word "vast" but the decision to create more than 100.

Ms. PEARLMAN. I mean in essence the decision was made for us by the amount of money a contributor was willing to contribute.

We did not like setting these up.

Mr. SANDERS. All right. Then when you received some advice that a contribution was available in a sum which exceeded the number of gift tax committees available to accommodate it, then you would at that point in time set up additional committees? Is that what you are saying?

Ms. PEARLMAN. That is correct.

Mr. SANDERS. And when you at that point in time established additional committees, did you do it without consulting with any other campaign officials?

Ms. PEARLMAN. No, in the sense that usually I got the information from another campaign official that x amount of money was coming and that we would need more committees.

Mr. SANDERS. What I am saying is, in deciding that additional committees were needed, and in creating them, did you consult with any other campaign officials to get their approval or concurrence?

What I am trying to establish is that you were the highest authority in making these decisions to establish additional committees. That is the way it appears to me.

Ms. PEARLMAN. I think that is accurate. I think that the point is that we were hoping to get as many and as large contributions as we could and that we were willing as a matter of campaign policy to set

up committees if it was necessary, and it was clearly legal to do so, to, you know, facilitate the receiving of contributions. I might add for the record that all of those committees were registered and reports were filed for those committees.

Mr. SANDERS. I believe you told us in your earlier interview that you had a written legal opinion on the propriety of establishing these committees. Did you make any mention of that?

Ms. PEARLMAN. No.

Mr. HUGE. No. What you are referring to, I think, is a letter relating to stock contributions, and there was an opinion by a Mr. Stanley Berthoin of New York City that was turned over to this committee with our letter of June 27, 1973.

Mr. SANDERS. I have transposed the two.

Ms. PEARLMAN. In fact, the written authorization for establishing those committees came from the Internal Revenue Service in their technical information release of June of 1972. I mean, there was never any question that I was aware of as to the legality of creating those committees.

Mr. SANDERS. I do not mean to infer by my questions that I have any thought in mind that it was illegal.

Ms. PEARLMAN. I just wanted to make it clear for the record.

Mr. SANDERS. Did you make any personal contributions to the McGovern campaign?

Ms. PEARLMAN. Yes, I did.

Mr. SANDERS. How much?

Ms. PEARLMAN. I joined the Presidential Club, so I think that means I gave at least $120, somewhere in that neighborhood.

Mr. SANDERS. Did you incur any expenses for your campaign services for which you were not reimbursed?

Ms. PEARLMAN. Probably, but I do not think I kept any record of it.

Mr. SANDERS. Would these expenses total more than $500?

Ms. PEARLMAN. No.

Mr. HUGE. Could we go off the record for just a second?

Mr. SANDERS. Yes.

[Discussion off the record.]

Mr. SANDERS. Did you loan any money to the McGovern campaign?

Ms. PEARLMAN. No.

Mr. SANDERS. Or any member of your immediate family?

Ms. PEARLMAN. No.

Mr. SANDERS. Or did any member of your immediate family make any contribution to the McGovern Committee?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Of $500 or more?

Ms. PEARLMAN. Not to my knowledge.

Mr. SANDERS. Do you know an individual by the name of Rick Cohen? C-o-h-e-n?

Ms. PEARLMAN. I have heard the name, I do not connect a face with it.

Mr. SANDERS. Do you have any knowledge that he was employed by a McGovern Committee?

Ms. PEARLMAN. It seems to me there were two Rick Cohens, and I believe we had a Rick Cohen on the national payroll. I can check my

records. I believe there was someone by that name on the payroll, Richard Cohen.

Mr. SANDERS. Would you check that for us, please?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Well, this person that you think you have some recollection of, what was his capacity?

Ms. PEARLMAN. I do not remember.

Mr. SANDERS. And you say you think there were two Rick Cohens? Tell us about the other one.

Ms. PEARLMAN. I cannot tell you about the first one. I have a dim recollection of someone name Rick Cohen who was going to be put on the payroll and who was not put on the payroll. My records will show if there were one or two on the payroll for any period of time.

Mr. SANDERS. Well, I have some information from some other campaign officials about this intended employment or short-term employment, whatever it was, and I would like you to tell me all you know about it, about this person you say was going to be put on the payroll.

Ms. PEARLMAN. I know there was a problem about it, and I do not even remember what the problem was.

Mr. SANDERS. Who spoke with you about it?

Ms. PEARLMAN. Henry Kimmelman, I believe. I was always protesting when people were going to be put on the payroll because we had enough people on the payroll, and there was some dispute about that, but I really do not recall the actual conversation. I think Henry came in to talk to me about it, Henry Kimmelman. I just really do not remember very much about it.

Mr. SANDERS. Did he tell you why the employment was desired; that is, what the employee was going to do?

Ms. PEARLMAN. No. What I recall is he came in and said there was some problem and he would get back to me about it.

Mr. SANDERS. Why would he have come in to you to ask your approval of placing the person on the payroll?

Would he customarily do that?

Ms. PEARLMAN. Well, it probably happened, but I really do not remember. I mean I really do not remember, but I probably said no when somebody else requested that he go on the payroll, which I tended to do frequently.

Mr. SANDERS. Did you have a higher authority than Kimmelman to approve or disapprove employment of personnel?

Ms. PEARLMAN. No.

Mr. SANDERS. What you suggested a moment ago, I gather, is that someone else had first contacted you and asked your approval to place someone on the payroll, and you indicated your disfavor of that, and Kimmelman came in to talk with you about it?

Ms. PEARLMAN. I just remember that he came in about someone named Richard Cohen and said there was a problem, and that is really all I remember. I was not very much involved in it at the time.

Mr. SANDERS. Who had talked with you about Rick Cohen before that contact with Kimmelman?

Ms. PEARLMAN. I do not remember.

Mr. SANDERS. Could it have been Ted van Dyk?

Ms. PEARLMAN. It very well could have been.

Mr. SANDERS. Do you recall being told why this person was wanted on the payroll?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Did you ever see this Rick Cohen?

Ms. PEARLMAN. I do not know.

Mr. SANDERS. Was any document submitted to you for approval or disapproval of his hire?

Ms. PEARLMAN. I do not remember. I really do not know. I mean, I remember the name and I remember that there was a problem, and I do not think that he ever went on the payroll. In looking at my records, I will know if a document was submitted because I will have it, but I really do not remember very much about that.

Mr. SANDERS. Well, it has been indicated to us that he may have been paid for a very short period of time.

Ms. PEARLMAN. That would show up in our reports, presumably. Well, it would depend on how much money it was.

Mr. SANDERS. Let's say you paid him from petty cash.

Ms. PEARLMAN. We never paid anyone from petty cash.

Mr. SANDERS. Even for a few days' service?

Ms. PEARLMAN. Not to my knowledge, not out of my office.

Mr. SANDERS. If Van Dyk or Kimmelman had someone they wanted to pay for a very, very short period of time, how might they accomplish that?

Ms. PEARLMAN. The customary procedure would be to come in and ask me to write a check. It could have been made out for expenses or salary. It would depend.

To my knowledge, that procedure was always followed.

Mr. SANDERS. You have no recollection of ever being asked to provide cash for payment of a short term salary?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Would Kimmelman have any other source of funds besides what you could provide for him?

Ms. PEARLMAN. Not to my knowledge.

Mr. SANDERS. I mean, I realize he has his own money, but I mean from the campaign.

Mr. HUGE. You mean campaign funds?

Ms. PEARLMAN. Yes; I realize. He kept no money in his office.

Mr. SANDERS. What documents existed in the campaign system for verifying the employment of a person and for requesting payment to him.

Ms. PEARLMAN. Well, after the convention we had forms prepared which we made everybody fill out which would give us the payroll information that we needed, social security number, address, who was approving the hiring of the person, the name of the person to be employed, the rate. In fact——

Mr. HUGE. This by the way, Don, is our memo of our first conversation.

Mr. SANDERS. I assumed that right away.

Ms. PEARLMAN. We furnished you documents relating to the employment of Walter Sheridan. I think they would give you an example of the form.

Mr. SANDERS. And Tuck?

Ms. PEARLMAN. Well, Tuck was pre—but that would be the same sort of a form. Then there would be a payroll record if the person was placed on a payroll, which I have, and the tax forms.

Mr. HUGE. Are your records broken down by month? Would it help you in your search for this Rick Cohen if you knew what month he was supposedly on the payroll? Where he was paid?

Ms. PEARLMAN. Yes; it would help.

Mr. HUGE. Could you give us that information for her search of the records?

Mr. SANDERS. It would not be alphabetical. Are they chronological?

Ms. PEARLMAN. Well, the checks written obviously are chronological, and not alphabetical. The payroll records, I think, are alphabetical, sort of.

Mr. SANDERS. Well, I do not want to limit myself too much, but I think it was probably summer or fall of 1972. Would you or Mr. Huge give me a call, one of you give me a call on that?

Mr. HUGE. Yes.

Mr. SANDERS. What you are saying then is in addition to the Rick Cohen in relationship to the circumstances we have most recently been discussing, you think there was still another Rick Cohen on the payroll of the committee?

Ms. PEARLMAN. I think so. That is why I am really very confused because——

Mr. SANDERS. All right. Then my request would pertain to both of them.

Ms. PEARLMAN. OK.

Mr. HUGE. Yes, right, any Rick Cohen.

Mr. SANDERS. Now, I acknowledge that we have received the evidence of Dick Tuck being on the payroll, but I would just like to ask you a few questions for the record.

Ms. PEARLMAN. Sure.

Mr. SANDERS. Did you have personal contact with Dick Tuck during his association with the McGovern campaign?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Did you ever speak with him concerning any of his activities or performance?

Ms. PEARLMAN. While he was on the payroll?

Mr. SANDERS. All right, let's start with that.

Ms. PEARLMAN. No.

Mr. SANDERS. The reason I make my statement in that form is I understand that he subsequently contributed some services in a voluntary way without compensation from the committee. Are you aware of that?

Ms. PEARLMAN. I was aware that he was around from time to time after he went off the payroll.

Mr. SANDERS. Well, are you aware of any activities in which he engaged? Did you ever discuss with him any activities in which he engaged on behalf of the McGovern campaign?

Ms. PEARLMAN. No.

Mr. SANDERS. Did you become aware of any activities that he performed, any activities of Dick Tuck on behalf of the McGovern campaign as a result of conversations you had with other officials of the campaign?

Ms. PEARLMAN. That he actually performed, no.

Mr. SANDERS. Or of any plans he had?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Would you explain that, please?

Ms. PEARLMAN. He himself requested $1,000, I think, from me sometime in the summer of 19— I believe it was the summer of 1972 to go to Texas to put up a sign outside the Connally Ranch to welcome the President who was coming to meet with the big Democrats for Nixon who were going to be at the Connally Ranch and I said no, that I did not have $1,000, and then Ted van Dyk came down and repeated the request, and I said no. And to my knowledge, he did not go. At least he certainly did not go with our money.

Mr. SANDERS. What was the sign going to say?

Ms. PEARLMAN. I do not remember.

Mr. HUGE. That was my next question, too.

Ms. PEARLMAN. It may not have been a sign. It was some kind of— he was going to do something. I do not even remember exactly what it was. I just remember he wanted $1,000.

Mr. SANDERS. You disapproved it and Van Dyk spoke to you and reiterated the request?

Ms. PEARLMAN. Right, and I disapproved again.

Mr. SANDERS. Did anyone else attempt to convince you to go along?

Ms. PEARLMAN. No.

Mr. SANDERS. Did Van Dyk talk with you in the presence of Tuck?

Ms. PEARLMAN. I do not think so.

Mr. SANDERS. Was the plan reduced to writing?

Ms. PEARLMAN. Not to my knowledge.

Mr. SANDERS. There is no written document concerning this incident that came to your attention?

Ms. PEARLMAN. No.

Mr. SANDERS. Do you have knowledge of any other activities of Tuck or intended activities of Tuck which were funded by the McGovern campaign?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Or for which he sought funds of the McGovern campaign?

Ms. PEARLMAN. I do not recall any other.

Mr. SANDERS. It would appear that Tuck worked under some sort of supervision of Van Dyk. Would that be a fair observation?

Ms. PEARLMAN. It was my impression that at least at the time he was on the payroll he worked under the supervision of Frank Mankiewicz.

Mr. SANDERS. Do you know what his duties were while he was on the payroll?

Ms. PEARLMAN. No.

Mr. SANDERS. Do you know who authorized his employment?

Ms. PEARLMAN. Mr. Mankiewicz, I believe.

Mr. SANDERS. Were you consulted in advance?

Ms. PEARLMAN. At that point in time I would not have been. I was not working in that capacity at that time.

Mr. SANDERS. Inasmuch as at this later time when apparently he was no longer on the payroll when he wanted money for the sign in Texas, inasmuch as Van Dyk came in and reiterated the request,

it would appear that he was acting under some sort of auspices of Van Dyk in making the initial contact with you. Do you have any knowledge in that regard?

Ms. PEARLMAN. No; I have no knowledge.

Mr. SANDERS. Would you state to your fullest recollection what Van Dyk said to you when he spoke to you about this?

Ms. PEARLMAN. He was highly exercised.

Mr. HUGE. No; what he said, not how he said it.

Ms. PEARLMAN. And I believe he said that he had a budget to spend x amount of money and it was no concern of mine as to how that money was spent, to which I replied—oh, you did not ask me that.

Mr. SANDERS. Yes; that is my next question.

Ms. PEARLMAN. That a budget was an irrelevant concept if there was not sufficient money on hand to meet the budget requests, and I believe at that point he stormed out of the room.

Mr. SANDERS. Well, what knowledge do you have of any so-called budget he had?

Ms. PEARLMAN. I really do not remember. I know that we asked, at one point, department heads to submit budgets, and he may have done so. But I do not remember what the breakdown would have been.

Mr. SANDERS. Where could we find a copy of any budget that he might have submitted?

Ms. PEARLMAN. Well, I will start with my records and see what is in there.

Mr. SANDERS. If you did submit some budgetary material to us, I do not remember whether Van Dyk's was in there.

Mr. HUGE. We submitted a file of financial status reports termed "Operating statement," but that would not be it.

Ms. PEARLMAN. I will look through my records.

Mr. SANDERS. I do not recall seeing it. You will search for a——

Mr. HUGE. Oh, I am sorry. Our second exhibit was a folder containing copies of various budget reports, summaries, memorandums, and notes. So conceivably——

Mr. SANDERS. I will take a look at that, then, and see if we have got it.

Mr. HUGE. And we will also take a look and see if there is anything more.

Ms. PEARLMAN. Yes; I will look.

Mr. SANDERS. What were Van Dyk's responsibilities?

Ms. PEARLMAN. At what point in time?

Mr. SANDERS. What were his responsibilities to the best of your knowledge, when Tuck was on the payroll?

Ms. PEARLMAN. I believe he was sort of generally in charge of administrative things, and he exercised some supervision over campaign materials, I believe, literature and bumper stickers. But it seems to me that he left on a full-time basis shortly after Tuck came on the payroll, and then served as an adviser to McGovern.

Mr. SANDERS. So that at the time that Tuck contacted you to obtain $1,000, Van Dyk was not full time?

Ms. PEARLMAN. No; that is a different point in time. That is 10 months later.

Mr. SANDERS. I realize that.

Ms. PEARLMAN. Van Dyk was working to my knowledge on a full-time basis at that time as the head of the research office.

Mr. HUGE. I guess that is where we are starting to get confused here. I am getting confused, too.

Ms. PEARLMAN. On the payroll with Tuck, we are talking about October 1971. It is my recollection that Van Dyk left in November 1971, you know, that he was not physically present in the campaign office every day, and he came back, I think on a full-time basis after the convention, which would be July 1972, and when Tuck came in it was August or September 1972.

Mr. SANDERS. When Van Dyk came back on a full-time basis, what was his position?

Ms. PEARLMAN. Head of research, issues and research.

Mr. SANDERS. Do you have any knowledge that Van Dyk performed any—that he engaged in any activities which might be considered political espionage or sabotage?

Ms. PEARLMAN. I have no knowledge to that effect.

Mr. SANDERS. Other than the one incident when he wanted $1,000 made available for Tuck?

Ms. PEARLMAN. I would not call that espionage or sabotage.

Mr. SANDERS. All right. I do not mean to put too much of a burden on you, but what would you call it? Shall we term it a "dirty trick"? Would you agree to that just so we can have a basis for conversation here?

Ms. PEARLMAN. I do not think I really want to be pinned down to a term. I would think I would describe it as a very open effort to embarrass the President.

Mr. SANDERS. Well, what I am trying to get a handle on——

Mr. HUGE. I was going to say in the future for your questioning you can use the term "dirty tricks."

Mr. SANDERS. OK. Thank you. Do you have any knowledge that——

Mr. HUGE. We are not—the dirty tricks does not go back to the Tuck episode. That is described by—you mean in the future, any other incident.

Mr. SANDERS. Well, not necessarily in the future, but do you have knowledge of any other activities of Van Dyk which might conceivably be considered dirty trick activity?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Do you have any knowledge of pieces of literature which were issued in the New Hampshire campaign directed against McCloskey and which were prepared and paid for by the McGovern committee or any of its personnel?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Do you have any knowledge that Miles Rubin funded in New Hampshire the publication of any literature directed against McCloskey?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. Have you any knowledge that there was an operation in the McGovern campaign space to canvass delegates around the country prior to the time of the convention by calling them on the telephone and the caller identifying himself as a newsman?

Ms. PEARLMAN. No; I do not have any knowledge of that.

Mr. SANDERS. Do you have any knowledge that the McGovern committee conducted a telephone canvass of delegates prior to the time of the convention?

Ms. PEARLMAN. To the best of my knowledge, we did in fact do that, yes.

Mr. SANDERS. Do you know who had responsibility for that?

Ms. PEARLMAN. Rick Stearns, I believe.

Mr. SANDERS. Do you know if the delegates were canvassed on more than one occasion?

Ms. PEARLMAN. No; I do not.

Mr. SANDERS. You understand that they were canvassed only once?

Ms. PEARLMAN. No; I have no understanding as to the number of times anyone was called. I know there was a delegate operation going on. That is really the extent of my knowledge. I know there were phones installed, and I know they were attempting to gather information on delegates.

Mr. SANDERS. Where was this phone bank or phone system physically located?

Ms. PEARLMAN. We rented an additional office right next door to 410 First Street, which was the major campaign office.

Mr. SANDERS. Office next to 410?

Ms. PEARLMAN. First Street SE.

Mr. SANDERS. It was next to it. You do not know the address?

Ms. PEARLMAN. I would guess it was 408, but I am not sure.

Mr. SANDERS. How much space did you have at 408?

Ms. PEARLMAN. It was one floor. It was directly above Congressional Liquor Store.

Mr. SANDERS. Was this close to the time of the convention?

Ms. PEARLMAN. Yes.

Mr. SANDERS. Do you know how many people participated in this activity, approximately?

Ms. PEARLMAN. I would guess 15 to 20, but I am not sure.

Mr. SANDERS. Do you know how many telephones were installed?

Ms. PEARLMAN. I do not remember.

Mr. SANDERS. Who would have been working with Rick Stearns in some kind of coordination or supervisory capacity?

Ms. PEARLMAN. What do you mean?

Mr. SANDERS. I mean, was he the only one who was managing the efforts or was there anyone else helping him?

Ms. PEARLMAN. He was in charge of it. I mean, there were other people up there working with him, but it is my recollection that he ran that operation.

Mr. SANDERS. Do you know the identity of any other persons working in that activity with him?

Ms. PEARLMAN. People working closely with him—one would have been John McKean.

Mr. SANDERS. M-c-K-a-n-e?

Ms. PEARLMAN. K-e-a-n.

Mr. FREEDMAN. Excuse me, Don. Can I come back in about 20 minutes or how long?

Mr. SANDERS. Off the record.

[Discussion off the record.]

Mr. SANDERS. John McKean?

Ms. PEARLMAN. And Rick Inderfurth.

Mr. SANDERS. Would you spell Rick's last name?

Ms. PEARLMAN. I-n-d-e-r-f-u-r-t-h.

Mr. SANDERS. Do you know how either of these two gentlemen might be located today?

Ms. PEARLMAN. Inderfurth, no, but John McKean is in Boston. The McGovern Senate office might be able to tell you, you know, current addresses.

Mr. SANDERS. Would your employment records on these—or were these volunteers or paid personnel?

Ms. PEARLMAN. Inderfurth was paid. I do not remember about John McKean. He was a full-time whatever.

Mr. SANDERS. Would your employment records contain some sort of permanent home address on these individuals, or closest relative, that type of thing?

Ms. PEARLMAN. Yes, I guess so; I just do not know how current it is today.

Mr. SANDERS. Well, we will probably check, maybe through the Senator's office.

Ms. PEARLMAN. I am sure they will probably have it.

Mr. SANDERS. We will start out there for the employment record. And have you ever heard that in conducting this canvass the caller in any way misidentified himself?

Ms. PEARLMAN. No; I never heard that.

Mr. SANDERS. Do you know whether the McGovern campaign mounted an effort to arrange for the use of official congressional telephones during the evening hours when the WATS lines were available for long-distance calls?

Ms. PEARLMAN. No; I never heard that.

Mr. HUGE. Does the Senate have a WATS line system?

Mr. SANDERS. Yes.

Mr. HUGE. I did not know that. Is that recent?

Mr. SANDERS. Well, it is something like WATS.

Is there something——

Ms. PEARLMAN. It is FTS.

Mr. SANDERS. FTS.

Mr. HUGE. All right.

Well, what——

Ms. PEARLMAN. Well, I know they have had it for at least 4 years.

Mr. SANDERS. Did you ever learn of any plan or program whereby the salaries of any personnel in the campaign were paid by any union?

Ms. PEARLMAN. No.

Mr. SANDERS. And if I may just elaborate a little bit, to give you a better concept of what I am talking about, it may be that there were several ways that this could arise.

The union, of course, could issue a check in payment for services that some person would render to the campaign as if this person had worked for the union, but you never heard of any activity in that respect?

Ms. PEARLMAN. No; I did not. No.

Mr. SANDERS. Do you know whether any of the contributions to the McGovern campaign of $1,000 or more were made by corporate officials who were reimbursed for that contribution with corporate assets?

Ms. PEARLMAN. I have no knowledge of that ever happening.

Mr. SANDERS. To your knowledge, were any McGovern campaign obligations for goods or services invoiced for payment to any corporation?

Ms. PEARLMAN. Not to my knowledge, no.

Mr. SANDERS. I assume from some remark you made earlier in this interview that some compromises of campaign indebtedness to corporations has occurred.

Mr. HUGE. She said settlement.

Mr. SANDERS. OK, settlement.

Mr. HUGE. No; I guess—that is right, she did not say corporations, either. She just said debts.

Ms. PEARLMAN. Lenders and creditors.

Mr. SANDERS. To your knowledge have any corporate obligations of the campaign been settled for an amount less than the full value?

Ms. PEARLMAN. Yes; creditors, not lenders.

Mr. SANDERS. Yes.

Ms. PEARLMAN. Business creditors.

Mr. SANDERS. Would there be some central or control file that would contain references to each of these settlements?

Ms. PEARLMAN. I believe that they are all in the GAO reports, or at least the ones over $100 are in the GAO reports on the E schedules.

Mr. SANDERS. All right. Then I will frame my question in this way. To your knowledge, were there any settlements of obligations to corporations which were not reported to GAO?

Ms. PEARLMAN. I am a little hazy on the exact requirement. The dollar amount involved, I do not remember. Bob can supply it. I do not know. I am sure that everything we were required to report was reported.

Mr. SANDERS. Were any contributions of $500 or more received after April 7 entered in your records as being received before April 7?

Ms. PEARLMAN. No, sir.

Mr. SANDERS. Go ahead, Bob.

Mr. COSTA. Marian, I only have a couple of quick questions.

The first one I have, did your campaign maintain any safe deposit boxes or a safe of any kind?

Ms. PEARLMAN. We maintained what would be called a safe. It was a drawer of a file cabinet that had a combination lock on it. I guess you would call that a safe, and I think maybe there was actually a real safe in the direct mail room.

Mr. COSTA. Did you keep substantial amounts of cash in the headquarters, or in that drawer?

Ms. PEARLMAN. How would you define substantial?

Mr. COSTA. In excess of $1,000?

Ms. PEARLMAN. Probably on many occasions when the mail was processed too late to get to the bank, on the day in which it was opened. It would be kept in the safe or in a locked file drawer until we could get it to the bank or presumably in some cases over the weekend until we could get it to the bank.

Mr. HUGE. But as a regular matter?

Ms. PEARLMAN. Only if we could not get it to the bank, or substantial sums of cash kept overnight.

Mr. COSTA. Are you aware of a contribution, I believe it was received just this past summer, from a Mr. Lewis, fairly substantial?

Ms. PEARLMAN. Is that his name, John Lewis?

Mr. COSTA. John Lewis.

Ms. PEARLMAN. I am aware of a substantial contribution received in May or June of 1973 from someone whose name I believe to be John Lewis. I forget the——

Mr. COSTA. Okay. Could you go into some of the details on who solicited that and so forth?

Ms. PEARLMAN. Yes. To my knowledge, Stewart Mott solicited that contribution in the fall of 1972. Mr. Lewis pledged that he would contribute, but because of some personal problem he had in terms of liquidity, he could not actually make the contribution until the spring of 1973. So Mr. Mott lent the campaign $100,000 in anticipation of being repaid out of campaign funds when Mr. Lewis made his contribution, which is in fact what did occur.

Mr. COSTA. Let me see if I am getting you right. In other words, Stewart Mott loaned the committee, in anticipation of being repaid by Mr. Lewis at some later point in the campaign——

Ms. PEARLMAN. Well, it was a loan, secured, I suppose by a pledge of a contribution that would be in an equivalent amount so that the loan could be repaid. If we had had the money earlier to repay him, we would have repaid him earlier.

Mr. COSTA. OK. How did you treat that receipt for reporting purposes in any disbursement of funds from it?

Ms. PEARLMAN. Well, I believe the original receipt from Mott was reported as a loan.

Mr. COSTA. A loan in one lump sum, or to several committees?

Ms. PEARLMAN. It must have been to committees. I believe it was to committees, so that 33 or 34 committees received loans from Mott.

Mr. COSTA. And then when you received the contribution from Mr. Lewis, how was that reported?

Ms. PEARLMAN. That was reported as a contribution and Mr. Mott was repaid the loan.

Mr. HUGE. The way you had rephrased the question at one point, I do not think it is quite right.

You had said that Mr. Mott made a loan to the committee, and then he was to be repaid by Mr. Lewis. That is not what would take place with the entities involved. It would be that the loan was to the committees. The committees would repay Mr. Mott.

Mr. COSTA. OK. I am sorry. You in the very beginning got into some financial data, McGovern for President, D.C. You quoted a figure, McGovern for President, Inc., you quoted another figure and then you prefaced the whole thing by indicating that these were national campaign figures.

Am I correct in assuming that you are talking about the 140 committees, or are you talking about these committees specifically?

Ms. PEARLMAN. No; I am talking about those committees specifically, McGovern for President, D.C., McGovern for President, Inc.

Mr. COSTA. OK.

Ms. PEARLMAN. And I said, I believe, that I did not have an estimate of the other 138 committees.

Mr. COSTA. OK. So that would exclude the other 138, and it would also exclude committees out yonder somewhere.

Ms. PEARLMAN. Yes, yes.

Mr. COSTA. OK, if you were to estimate it, could you estimate total receipts for the McGovern campaign, all 750 committees?

Ms. PEARLMAN. Oh, no, I could not begin to estimate all 750. I really would not like to estimate the other 138 because, I mean, there were records that disclose it, and I just do not, I do not know.

Mr. COSTA. OK. I just wondered whether you had any grasp of it. This question may have been answered, but I do not have it in my notes. The Van Dyk budget, did you indicate a size?

Ms. PEARLMAN. No.

Mr. COSTA. Do you know what the size was?

Ms. PEARLMAN. I do not recollect, no.

Mr. COSTA. There is one more question I would like to ask you about, your own personal knowledge.

Committees that were operating in the States other than the 140 that you had responsibilities over, did you see any situations where once the campaign had wrapped up there were some committees out somewhere with residual funds?

Did you receive as a normal practice funds from these committees, or did you find a tendency for most of those committees to use the remaining money for other purposes?

Ms. PEARLMAN. Well, we sent out a letter requesting any residual funds, and we got some from some committees, but we certainly did not get it from more than half of 750.

Mr. COSTA. If I was to ask your opinion, what would that be in terms of the ones that did not? Was it a great number of committees that had funds?

Ms. PEARLMAN. I do not know that they had funds, but there were a great number of committees that did not send us any residual funds. I presume they had a lot of expenses in their own States which they were meeting with the residual funds, you know, outstanding obligations.

Mr. COSTA. OK. That is all I have.

Mr. SANDERS. Dick?

Mr. O'HANLON. I do not know if you have this information or not, but we start on the premise that the total amount collected by the McGovern campaign was, say, $31 million.

Ms. PEARLMAN. OK.

Mr. O'HANLON. Breaking down in this fashion. Direct mail program, would that have shown receipts of approximately $15 million, or half of the total income?

Ms. PEARLMAN. That would sound accurate.

Mr. O'HANLON. And the television trailer of $3 million? These are approximations.

Ms. PEARLMAN. I do not know. That is quite plausible, I think, but I do not know.

Mr. O'HANLON. And large contributions, approximately $5 million? Would these figures sound reasonable?

Ms. PEARLMAN. That sounds reasonable.

Mr. O'HANLON. The net stock transactions of $1.5 million?

Ms. PEARLMAN. Yes.

Mr. O'HANLON. And net loans, $2.5 million, receipts?

Well, that of course would——

Ms. PEARLMAN. The net loans.

Mr. O'HANLON. Yes.

Ms. PEARLMAN Yes; that would be good.

Mr. O'HANLON. That would leave $31 million, with the figure that approximately $4 million would have been received from State committees, dinners, and other affairs, and so forth in round figures?

Ms. PEARLMAN. That sounds high.

Mr. O'HANLON. High?

Ms. PEARLMAN. [Nods in the affirmative.]

Mr. O'HANLON. Now, on expenditures, would media, would $7 million be a reasonable figure? Do you have any information or recollection on that?

Ms. PEARLMAN. I have not looked on the expenditure side in a long time, but that is all reported.

Mr. O'HANLON. Would you be able to come up with a total figure on expenditures, from your records, I mean?

Ms. PEARLMAN. Certainly post-April 7.

Mr. O'HANLON. Yes; post-April 7. OK, if you could. Now, that would, if you could break it down again.

Ms. PEARLMAN. Again, that is a matter of public record. I know we were working on furnishing that to the GAO.

Mr. O'HANLON. Would it be broken down in this figure? Media, direct mail costs—I am assuming the direct mail costs would be approximately $3½ million in direct mail costs?

Ms. PEARLMAN. That sounds right.

Mr. O'HANLON. Media, $7 million; national headquarters expenditures, $2 million; and candidate's travel, $1½ million; and State campaign funds, transferred, $4 million; transferred out expenses, New Hampshire and the rest of the primaries.

Ms. PEARLMAN. Yes.

Mr. O'HANLON. Those would be the approximate figures on expenses?

Ms. PEARLMAN. [Nods in the affirmative.]

Mr. O'HANLON. If you have it, fine. The only other question I have is—you were involved in this keeping track of the records of these campaign funds of any nature—whether you would have any suggestions as far as reform or improvement for future Presidential campaigns as to the desirability and advantages of having a, let's say, a standard recordkeeping type of system for all candidates that would run in Presidential campaigns, and what those records basically should consist of so that they would reflect to the extent possible all receipts and all expenditures, including cash. Do you have any thoughts along that line?

Ms. PEARLMAN. Could I give that some thought and supply an answer at a future date?

Mr. O'HANLON. Fine, fine.

Ms. PEARLMAN. Because I do have some thoughts on that.

Mr. SANDERS. If you are called as a witness in public hearing, undoubtedly you are going to be asked questions along that line, so you might want to formulate, be formulating an answer in that regard.

Ms. PEARLMAN. I have started to do that, but I am not finished. And I think I have a lot of useful experience and that I would like to make some very constructive suggestions.

Mr. SANDERS. They would be welcome.

Mr. O'HANLON. With particular reference on the recordkeeping part. You could comment also on public financing.

Ms. PEARLMAN. Well, assuming we do not go to complete public financing, I would start from that assumption.

Mr. FREEDMAN. Did you just talk about the solicitation methods like direct mail?

Mr. O'HANLON. Yes.

Mr. FREEDMAN. I have a couple of quick questions about the total amount of securities received.

Do you have any ideas of stocks and so forth?

Ms. PEARLMAN. I believe that the net figure was about $1.5 million.

Mr. FREEDMAN. Okay.

Ms. PEARLMAN. It is not stocks and so forth. It is just stocks.

Mr. FREEDMAN. Stocks, OK. Was there an active campaign on to solicit securities? Did you have any special campaign in that regard?

Ms. PEARLMAN. We attempted it at one point in November of 1971, but we never—I do not think we really—I would not say we did very actively. We were soliciting contributions.

Mr. FREEDMAN. Right, and that was one of the things on people's minds.

Mr. HUGE. Well, there was a sample letter of solicitation for stock contributions which we furnished to the committee last June.

Mr. FREEDMAN. OK. Now, do you have any knowledge of contributions made by Mr. Leon Hess, either by himself or by nominees?

Ms. PEARLMAN. No.

Mr. FREEDMAN. Nominees for the Amarata Hess Co.?

Ms. PEARLMAN. No.

Mr. HUGE. Do you have the names of the nominees?

Mr. FREEDMAN. Yes, I think J. D. Chandler and I cannot remember the first name, a fellow by the name of Cramer, but it would have come from New Jersey or New York.

Ms. PEARLMAN. Cramer does not ring any bells, and it is a name I would remember.

Mr. HUGE. Julian Cramer from South Orange, N.J.?

Mr. FREEDMAN. Yes.

Ms. PEARLMAN. I have never heard that name before.

Mr. FREEDMAN. Could you give us a percentage of the funds received that were in direct mail? Did you ask that?

Ms. PEARLMAN. No, but what you elaborated, it would be roughly 50 percent. I do not know if that is a net figure.

Mr. FREEDMAN. You do not have any specific figures.

Mr. O'HANLON. $15 million would be a gross figure.

Ms. PEARLMAN. And the $3 million costs.

Mr. O'HANLON. That is right, $3½ million costs.

Ms. PEARLMAN. Yes. I think actually I have some percentage materials around somewhere.

Mr. FREEDMAN. OK. I just wanted a real general comment on the funds that you got back from the States. Did that work out very well, the fact that——

Ms. PEARLMAN. When?

Mr. FREEDMAN. Were the States supposed to pay into the national effort?

Ms. PEARLMAN. While the campaign—in other words, funds raised in the State were supposed to come to the national?

Mr. FREEDMAN. Right, right.

Ms. PEARLMAN. No, that did not work very good at all.

Mr. FREEDMAN. How, in fact, did that work?

Ms. PEARLMAN. It did not work because we could not comply with our end of the bargain, which was to send them funds, because we were so strapped.

Mr. FREEDMAN. Right, I remember in a start-up memo of some type there was supposed to be 50 percent. I am just curious as a comment as to how well in the future, just thinking about grass roots and decentralization of raising funds, what kind of suggestions you would have to, maybe not now, but if you were called on, the part of the States to keep things rolling.

Ms. PEARLMAN. Well, you know, you obviously have two very different examples, and the Committee to Re-Elect could exercise total control of their State committees because they raised all their money and sent them the money, so there was no need to raise money on a State level.

We were totally autonomous for a variety of reasons. One certainly was the fact that we could not raise enough money to fund the national operation and the State operation. So the States really have to raise their own money.

Mr. FREEDMAN. Right. And were these successful? Just in a general sentiment feeling about it.

Ms. PEARLMAN. Well, they all managed to operate, so I suppose to that extent they were successful.

Mr. FREEDMAN. That is all I have.

Mr. SANDERS. Just another short line of questioning. Do you recall contributions to the McGovern campaign of $1,000 or more from any foreign nationals other than Dr. Zafferoni?

Ms. PEARLMAN. He is not a foreign national.

Mr. SANDERS. Oh, he isn't?

Ms. PEARLMAN. He is a resident alien.

Mr. SANDERS. You have a different legal understanding of that than I do.

Ms. PEARLMAN. Of $1,000 or more? No.

Mr. SANDERS. No further questions.

Mr. HUGE. We have nothing.

[Whereupon, at 6:25 p.m., the Select Committee was adjourned.]

33-650

Reference will be made in chapter 4 of the final report of the following McGovern exhibits.

MCGOVERN EXHIBIT NO. 1

KEYS, MARTHA

KANSAS

December 15, 1972

Dear Mrs. Keys:

Henry is out of town and I have your letter of December 3. First of all, the newspaper reports of the post-election financial condition of the McGovern for President committee were inaccurate. We do not at this time have enough money to pay all our debts. I am hopeful that we will be able to obtain settlements from our creditors at less than the full amount owed.

All state committees are expected to settle their financial affairs themselv We are notaassuming any state obligations.

As far as a speaker is concerned, it seems to me that Gary would be an excellent choice. He certainly knows as much or more about the whole campaign, from beginning to end, and he is an entertaining speaker.

I would imagine that once you get all your accounts settled, the Topeka printer would be willing to settle for some payment on the account as payment in full. We are writing to our trade creditors asking them to settle for 50% of the amount owed.

I hope this answers your questions. If you have any other questions, please let me know.

Sincerely,

Marian Pearlman, Treasurer
McGovern for President, Inc.

Mrs. Martha Keys
2339 Chris Drive
Manhattan, Kansas 66502

MCGOVERN EXHIBIT NO. 2

Name of Committee Citizens for McGovern Committee - U. S. Senate

SUMMARY REPORT COVERING PERIOD FROM Oct. 27, 1972 THRU December 31, 1972

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total individual contributions	$	$
Part 2. Sales and collections:		
Itemized (use schedule B*)	$	$
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$	$
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total other receipts	$	$
Part 5. Transfers in:		
Itemize all (use schedule A*)	$ 25,000.00	$ 25,000.00
TOTAL RECEIPTS	$ 25,000.00	$ 25,000.00
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$	$
Part 7. Expenditures for personnel services, salaries, and reimbursed expenses		
a. Itemized (use schedule D*)	$ 5,057.00	
b. Unitemized	$	
Total expenditures for personnel services, salaries, and reimbursed expenses		$ 5,057.00
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$	$
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$ 10,433.31	
b. Unitemized	$ 77.43	
Total other expenditures	$ 10,510.74	$ 10,510.74
Part 10. Transfers out:		
Itemize all (use schedule D*)	$	$
TOTAL EXPENDITURES	$ 15,567.74	$ 15,567.74

SECTION C—CASH BALANCES:	
Cash on hand at beginning of reporting period	$ 67,238.32
Add total receipts (section A above)	$ 25,000.00
Subtotal	$ 92,233.32
Subtract total expenditures (section B above)	$ 15,562.74
Cash on hand at close of reporting period	$ 76,670.58

SECTION D—DEBTS AND OBLIGATIONS:	
Part 11. Debts and obligations owed to the committee (use schedule F*)	$ 0.00
Part 12. Debts and obligations owed by the committee (use schedule E*)	$ 0.00

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "Unitemized" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

SCHEDULE A

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

Citizens for McGovern Committee - U.S.Senate
(Full Name of Candidate or Committee)

Part No. 5
(Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
11/20/72	Citizens for McGovern Committee 1019 19th St., N.W. #220 Washington, D. C.	DM000028	25,000.00
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	

TOTAL THIS PERIOD (Last page of this Part only) $25,000.00

Name of Committee Citizens for McGovern Committee - U. S. Senate

SUMMARY REPORT COVERING PERIOD FROM Jan. 1, 1973 THRU Feb. 28, 1973

	Column A This period	Column B Calendar year to date
SECTION A—RECEIPTS:		
Part 1 Individual contributions:		
a. Itemized (use schedule A*)	$ 3,450.00	
b. Unitemized	$ 128,799.34	
	$ 132,249.34	$ 132,249.34
Part 2 Sales and collections:		
Itemized (use schedule B*)	$	
Part 3 Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
	$	$
Part 4 [illegible]		
a. Itemized (use schedule A*)	$ 2,687.96	
b. Unitemized	$	
	$	$
Part 5 Transfers:		
Itemized (use schedule A*)	$	$
	$	
SECTION B—EXPENDITURES		
Part 6 Itemized (use schedule B*)	$	$
Part 7 [illegible]		
a. Itemized (use schedule B*)	$	
b. Unitemized	$	
	$	$
Part 8 Loans made		
a. Itemized (use schedule B*)	$	
b. Unitemized	$	
	$	$
Part 9 Other disbursements		
a. Itemized (use schedule B*)	$ 96,731.33	
b. Unitemized	$	
	$ 96,731.33	$ [illegible]
Part 10 Transfers:		
Itemized (use schedule B*)	$	$
	$ 123,427.72	$ [illegible]
SECTION C—CASH BALANCES		
Cash on hand at beginning of reporting period	$ 76,679.28	
Add total receipts this period (Section A)	$ 184,931.30	
Subtotal	$ 261,607.88	
Subtract total expenditures this period (Section B)	$ 123,427.72	
Cash on hand at close of reporting period	$ 138,180.16	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed to the committee (use schedule E*)	$ 0.00	
Part 12. Debts and obligations owed by the committee (use schedule E*)	$ 0.00	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "Unitemized" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

Cash in bank - $68,253.88
Investment 67,238.32 plus 2,687.96 = $69,926.28 Total $138,180.16

SCHEDULE A

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

Citizens for McGovern Committee - U. S. Senate (Full Name of Candidate or Committee) Part No. 5 (Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
July 2, 1973	Democratic Senatorial Campaign Committee R.S.O.B. 130 Washington, D.C. 20510	$	12,000.00
7/23/73	Citizens for McGovern Committee DM000028 1019 19th St., N.W., #220 Washington, D.C. 20036	$	20,000.00
8/3/73	Citizens for McGovern Committee DM000028 1019 19th St., N.W. 220 Washington, D. C. 20036	$	10,000.00
8/10/73	Citizens for McGovern Committee DM000028 1019 19th Street, N.W. #220 Washington, D. C.	$	30,000.00
8/20/73	Industrial Union Department Voluntary Funds AFL-CIO 815 16th St., N.W. Washington, D. C.	$	1,500.00
8/20/73	Michigan McGovern for President Committee 18647 Livernois Ave. DM261007 Detroit, Michigan 48221	$	21,500.00
		$	
		$	
		$	
		$	

TOTAL THIS PERIOD (Last page of this Part only) $95,000.00

Name of Committee CITIZENS for McGOVERN COMMITTEE - U.S. Senate

SUMMARY REPORT COVERING PERIOD FROM September 1, 1973 THRU December 31, 1973

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$ 3,110.00	
b. Unitemized	$58,072.76	
Total individual contributions	$61,182.76	$ 314,805.56
Part 2. Sales and collections:		
Itemized (use schedule B*)	$ 00.00	$ 11,391.90
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$	$
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$ 79,994.09	
b. Unitemized	$	
Total other receipts	$ 79,994.09	$ 85,280.81
Part 5. Transfers in:		
Itemize all (use schedule A*)	$ 34,081.70	$ 327,413.50
TOTAL RECEIPTS	$ 175,258.55	$ 738,891.77
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$ 89.50	$ 937.22
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$ 96,070.46	
b. Unitemized	$ 2,544.51	
Total expenditures for personal services, salaries, and reimbursed expenses	$ 98,614.97	$ 242,095.98
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$	$
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$ 96,240.33	
b. Unitemized	$ 3,332.48	
Total other expenditures	$ 99,572.81	$307,902.82
Part 10. Transfers out:		
Itemize all (use schedule D*)	$ 575.00	$ 1,775.00
TOTAL EXPENDITURES	$ 198,852.28	$ 552,711.02
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$ 236,422.78	
Add total receipts (section A above)	$ 175,258.55	
Subtotal	$ 411,681.33	
Subtract total expenditures (section B above)	$ 198,852.28	
Cash on hand at close of reporting period	$ 212,872.42	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed to the committee (use schedule E*)	$ 0.00	
Part 12. Debts and obligations owed by the committee (use schedule E*)	$ 0.00	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) Where itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "Unitemized" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report where no amount is being reported.

*See Addendum attached hereto.

SCHEDULE A

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

Citizens for McGovern Committee - U. S. Senate
(Full Name of Candidate or Committee)

Part No. 5
(Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
9/29/73	The McGovern Committee 6400 Goldsboro Rd., #301 Bethesda, Maryland 20034	Reimburse salary & expenses to Senate Committee Aggregate Year-to-date $	25,400.00
11/6/73	Railway Clerks Political League 6300 River Road %James J. Kennedy, Jr. Rosemont, Ill. 60018	Aggregate Year-to-date $	1,000.00
12/18/73	Southshire McGovern for President Committee %Ursula Scott Trumbull Hill Road Shaftsbury, Vt. 05262	Aggregate Year-to-date $	35.00
12/18/73	Manchester-Hawthorne Citizens for McGovern 16 Cedar Place Hawthorne, N. J. 07506	Aggregate Year-to-date $	129.74
12/19/73	Alameda County Educators for McGovern 2140 Shattuck Ave. %Ernest McCoy, Esq. Berkeley, Ca. 94704	Aggregate Year-to-date $	462.96
12/30/73	Citizens for McGovern Committee 1019 19th St., N.W. Washington, D.C. 20036	Aggregate Year-to-date $	7,054.00
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	

TOTAL THIS PERIOD (Last page of this Part only) 34,081.70

MCGOVERN EXHIBIT NO. 3

GEORGE MCGOVERN
SOUTH DAKOTA

United States Senate
WASHINGTON, D.C. 20510

July 2, 1974

Dear Mr. Chairman:

According to press accounts, a draft staff report prepared for the consideration of the Select Committee on Presidential Campaign Activities raises the question whether my campaign violated the spirit of the law forbidding corporate donations to Federal political campaigns.

I was surprised to learn that because the General Accounting Office, which has thoroughly examined all the financial aspects of my campaign, raised no such question. I was even more surprised to read this leak from the Committee because no such question has been raised with me, nor was it raised with any member of my staff when they appeared before the Committee. And at best, the charge is based on misapprehensions which could have been easily checked.

The substance of the draft language is that my finance office was able to secure the agreement of a number of corporations to settle for a total of some $35,322 less than the bills we owed to them at the end of the 1972 campaign, and that at the same time leftover funds were being transferred into my campaign for re-election to the Senate.

Even on the surface, this appears to be a long stretch to find something questionable about my presidential effort, in order to balance the misdeeds found in Mr. Nixon's campaign. We all know that campaigns over the years -- not only for the presidency but for the Senate and the House -- have routinely settled debts for less than the full amount. And creditors, realizing that defeated candidates have a hard time raising money for a cause already lost, have commonly made the arms length business judgment that a compromise is their best choice. The law prohibiting corporate contributions has been on the books for generations, yet no charge has ever been made that these transactions violated the law.

In fact, the Congress reconsidered this entire issue in 1971. At that time the law was changed to prevent the extension of unsecured credit to campaigns by Federally regulated corporations. But with respect to corporations generally, the Congress concluded that candidates for public office should be able to contract for goods and services on the same basis as any private business, with the vendor assuming the same kinds of risk. Why, then, does this standard practice become an abuse in my campaign?

Without making a search of all the records, I suspect that given the number of candidates who competed for the presidency in 1972 in both parties, it is fair to assume that the practice of settling debts was also common in the time frame covered by the Committee's mandate. We have made inquiries of the Committee staff on this score, and the response was that other campaigns had <u>not</u> been scrutinized to determine whether any obligations to corporations had been settled for less than the full amount. This, too, suggests that the authors of this draft language were reaching to criticize the McGovern effort in particular, no matter how doubtful the grounds.

We have also inquired of the Committee staff whether the draft Committee recommendations on campaign finances include any specific proposals on the practice of settling debts owed to corporations. There are no such recommendations. If this were truly seen as an "illegal, improper, or unethical" activity within the Committee's mandate, I would certainly think that a remedy would have been included.

Beyond these general observations, the members of the Committee should know that the draft language is based on incorrect assumptions. The following is the information I would have supplied had I been asked before the language was prepared and leaked to the press.

First, when these debts were settled, there was every reason to believe that the McGovern campaign would not have enough money to cover all remaining obligations in full.

At the beginning of January, 1973, when the letter suggesting a settlement to creditors was sent out, the McGovern for President Committee had debts totalling some $800,000 and cash on hand of about $460,000. It was in part through settlements, both of personal loans to the campaign and of these few bills owing to corporations, that the deficit was worked down. By the end of February we were down to roughly $100,000 in the red. Over time, with the payment of such bills owed to the campaign as press payments for air transportation, we ended up with a net surplus in terms of bills currently due. However, we were still obliged to hold reserves against such potential obligations as a workmen's compensation suit in Oregon and a large tax claim. As recently as March 7, 1974, the treasurer of my campaign, Henry Kimelman, advised me that our possible liabilities still exceeded our assets, even including in those assets earnings since the campaign from interest and rental of the mailing list.

It may be argued that the feature distinguishing my campaign from other campaigns which have settled debts to corporations at less than their full value is the fact that pending disposition of remaining claims, there is at the moment a net balance remaining from my 1972 effort. But the fact is that at the time these settlements were made we were confronted with a sizeable deficit, which was eliminated only because a number of creditors were willing to extinguish our obligations in exchange for less than the total due.

It is, of course, possible to look back from some fifteen months later and conclude that we could have paid more of the obligations that were settled, and perhaps even to make a value judgment that in doing that we should have given a priority to corporate debts as opposed to individual loans and staff salaries and expenses which were in arrears because of a post facto conclusion that corporate settlements, although wholly at arms length, are nonetheless akin to corporate contributions. But I suggest that charging us to foresee in January of 1971 how the books would ultimately balance out sets a requirement for superhuman foresight. Indeed, we cannot even foresee that for certain now. With liabilities greatly in excess of our firm assets, the only prudent thing to do at the time was to contact all creditors and suggest a settlement of the debts. That is precisely what we did. And as individual creditors responded, we made the agreed partial payments to extinguish the individual debt.

The second half of the staff assumptions is that we were, at the same time as we had these obligations, transferring some of our remaining presidential funds to my Senate campaign. That, too, is incorrect.

Funds were transferred from the Citizens for McGovern Committee, a presidential campaign committee, to my Senate campaign committee during the time when these debts were being settled. There is, of course, no prohibition against such transfers, even if it had been money raised at the national level.

But in fact, these funds were not available for use in paying off debts incurred by the national McGovern campaign.

Part of the funds transferred during the period when debts were being settled came from State and local McGovern committees, which had money remaining after the campaign. Those were funds raised on their own by autonomous committees working on behalf of my campaign. And the money was sent in to Washington after the election with the explicit understanding that it would be used in my 1974 campaign for re-election to the Senate. These groups had authority to dispose of their remaining funds in any way they saw fit, and they chose to support my South Dakota campaign. Application of their money to debts incurred by the national McGovern campaign -- debts which were not the responsibility of those state and local groups -- would have violated the choice they had every right to make in regard to the disposal of whatever balances they had on hand when the campaign was over.

Like our national campaign committees, these various committees around the country were also reporting to the General Accounting Office. After consulting with legal counsel and with the Democratic Senatorial Campaign Committee, we temporarily deposited these funds in the account of the Citizens for McGovern Presidential Committee, to assure that the GAO records would show both ends of the transaction. This also had the advantage of simplifying our own bookkeeping operations.

In addition, after the presidential campaign was over, we received a number of individual contributions from around the country for my Senate campaign. Those funds, too, were deposited temporarily in the Citizens for McGovern account.

These accounting practices do leave room for confusion. But I do not think the possibility of confusion can possibly justify the draft staff language.

My staff has had standing instructions to cooperate fully with the Committee's investigations. Those instructions have been followed to the letter. I have never had a complaint from any member of the Committee or from any member of the Committee staff about our willingness to stand for the most thorough possible scrutiny.

But so far as any of us can recall, the assertions raised in this language were never raised, either in public or in private, either during last year's interviews of people who had been associated with my campaign or during the more recent period when the draft report was being prepared. And under the circumstances I think that is inexcusable.

According to materials in the Committee's possession, one strategy planned in the White House for dealing with the Committee's investigation was an attempt to discredit my campaign in order to make the Nixon campaign's misdeeds look less telling. Thus, Mr. Haldeman wrote in a memo to John Dean on February 10,

> *"We need to get our people to put out the story on the foreign or communist money that was used in support of demonstration against*

the President in 1972. We should tie all 1972 demonstration to McGovern and thus to the Democrats as part of the peace movement....

"The investigation should be brought to include the peace movement which leads directly to McGovern...."

Mr. Nixon himself pursued that same course in his televised address on April 30, 1973, when he talked about "shady tactics" and declared that,

"...both of our great parties have been guilty of such tactics in the past. In recent years, however, the campaign excesses that have occurred on all sides have provided a sobering demonstration of how far this false doctrine can take us."

When Mr. Haldeman appeared before the Committee, he used the nationwide televised forum that appearance provided to pursue the "everybody does it" approach. On July 30 of last year, he said the plan for Donald Segretti's activities,

"...would have specifically excluded the following: violent demonstrations and disruptions, heckling or shouting down speakers, trashing of headquarters and other buildings, harassment of candidates' wives and families by obscenities, disruption of the national convention by splattering dinner guests with eggs and tomatoes, indecent exposure, rock throwing, assaults on delegates, slashing bus tires, smashing windows, setting track fires under the gas tank of a bus, knocking policemen from their motorcycles.

"I know that this committee and most Americans would agree that such activities cannot be tolerated in a political campaign. But unfortunately the activities I have described took place in 1972 -- against the campaign of the President of the United States by his opponents. Some of them took place with the clear knowledge and consent of agents of the opposing candidate in the last election....

"There is no question that the 1972 campaign was not a classic in decorum -- for either side...."

Directed against a private citizen and without immunity, testimony of that kind would come very close to libel. Mr. Haldeman was deliberately and strategically deceptive. The only possible connection raised between any "agents" of my campaign and any of the activities he described was the use of the telephones in one California headquarters, under disputed authority, for an entirely peaceful demonstration. But, of course, the charge was nonetheless broadcast nationwide.

In the same vein, the Committee even became a public forum for a Republican "dirty trick," a spy by the name of Michael McMinoway, who had infiltrated my campaign and who fabricated some additional charges.

Except to respond to inquiries, I have made no objection about these occurrences. I have understood that the purpose of the Committee was to investigate wrongdoing, and not to either respond to unfair attacks or to highlight what was done right in 1972. And you certainly have had no way of preventing implementation of the White House "everybody does it" strategy through the testimony of witnesses before the Committee.

But if you cannot prevent it, members of the Committee and of the Committee staff should certainly be able to avoid participating in that disgraceful strategy. And that is why I strongly resent and sharply protest this draft language.

Where finances specifically are concerned, it was my determination in 1972 to conduct a campaign that went beyond the bare legal requirements, and to avoid even some financial practices that we thought were doubtful even though they had never been questioned in the past. We disclosed all contributions, for example, when there was no law requiring it. I disclosed my personal finances, and there is still no law requiring that.

This leaked language has already tarnished the legacy of my campaign on that score. That may serve the purpose of minority staff members who have been caught up in the strategy outlined in Mr. Haldeman's memorandum of February 10, 1973, or who are sensitive to the fact that I stand for re-election this year. (The enclosed clipping shows how the leak was carried in one South Dakota paper.) The language may even be acceptable to others on the Committee staff who want to lean over backwards to maintain a sense of bipartisanship, even though it means leaning unfairly on my campaign. But I submit that it does not serve either simple justice or the mandate of the Committee to place the reputation and authority of the Committee behind such an unwarranted and unchecked attack, and thereby to give it the same credence as the plainly illegal corporate contributions, the secret funds, the laundered money, the contributions bordering on bribery, and the solicitations bordering on extortion, that the Committee has brought to public attention.

Indeed, all things considered, I think the preparation of such language and its circulation to the press comes far closer to the sort of dirty tricks activity which has been among the subjects of the Committee's investigation.

On the basis of the additional information in this letter, I hope the Committee will disapprove this offensive language. If further clarification is required I stand ready now, as I have throughout your investigations, to meet with members of the Committee at any time.

Sincerely,

George McGovern

Honorable Sam J. Ervin, Jr., Chairman
Select Committee on Presidential Campaign Activities
United States Senate
Washington, D. C.

Enclosure

MCGOVERN EXHIBIT NO. 4

July 10, 1974

Dear Senators Ervin and Baker:

If there is one central quality about my 1972 presidential campaign that all of those connected with the campaign share in common, it is our pride in the honest and open manner in which that entire effort was financed. I think it is fair to say that we pioneered in running a campaign that was fully disclosed and wholesomely financed from beginning to end.

As you know, we depended largely on small contributions solicited by direct mail. At all times, we kept both the appropriate government agencies and the American public fully informed of the extent and sources of our campaign financing; and we did that even before there was any law in effect that required it. We accepted no large cash contributions. We accepted no corporate checks, and when anything that even appeared to be questionable came into our headquarters, it was immediately returned.

It was thus with some dismay that I read the staff report that is still under consideration by the Committee. The original draft which was reported in the press apparently raised the question whether we had violated the spirit of the law forbidding corporate contributions to campaigns for Federal office. In the subsequent draft the explicit question is dropped, only to be replaced by an implication to the same effect.

Given the nature of the Committee's assignment and the context of your report, there is no doubt that this discussion of our finances will be taken, whether or not intended as such by the Committee, as a charge that these transactions were "illegal, unethical or improper." I cannot see how anything of the kind has been established. On the contrary, we followed a perfectly common and proper business procedure in attempting to settle debts at something less than 100 cents on the dollar, at a time when our debts were vastly in excess of funds available to us.

Further, the draft language is misleading on this point. It contends on page 203 that we were able to supplement my senatorial campaign in an amount nearly ten times the amount of the debts that were settled by partial payment, but it does not point out that the vast majority of the funds that were transferred did not come in and were not transferred until after the debts had been settled. That missing information is obviously crucial. Without it, the report implies that we asked corporations to reduce obligations at a time when we knew we could afford to pay them, but that we chose instead to direct money to my Senate campaign. That is simply not true. By no stretch of the imagination could anyone hold that we had adequate funds in sight to pay off all of these obligations at the time some of them were settled.

Quite frankly, I cannot shake off the suspicion that this language has been bargained into the staff draft to appease some partisan interest in spreading around the stigma of corrupt practices in 1972. Perhaps that is not the case. But whatever the case, I contend that our campaign does not deserve this treatment at the hands of the Committee. I contend most forcefully that such officials as our Finance Director, Henry Kimelman, and our Treasurer, Marian Pearlman, should not have their reputations sullied, particularly after what they have done to advance and elevate the standards of open and honest financing in American politics. And I urge most strongly, on the basis of simple fairness, that this section be dropped from the Committee report.

Sincerely yours,

George McGovern

Honorable Sam J. Ervin, Jr., Chairman
Honorable Howard H. Baker, Jr., Vice-Chairman
Select Committee on Presidential Campaign Activities
United States Senate

cc: Samuel Dash, Chief Counsel
Fred D. Thompson, Minority Counsel

GM/JH/pd

Muskie Campaign

MONDAY, NOVEMBER 12, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 4:40 p.m., in room G–334, Dirksen Senate Office Building.

Present: Senator Howard H. Baker, Jr.

Also present: Donald Sanders, deputy minority counsel; Richard Schultz, assistant minority counsel.

Senator BAKER. Do you solemnly swear that the testimony you are about to give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. EDIDIN. I do.

Senator BAKER. I thank you, sir. Is that all you need me for?

Mr. SCHULTZ. I believe so. Thank you, Senator.

Senator BAKER. Gentlemen, I thank you very much.

Mr. SANDERS. Thank you very much, Senator.

Mr. SCHULTZ. Let the record show that I have handed Mr. Edidin's counsel, Mr. Brady, a letter dated November 12, 1973, wherein, in essence, I expressed my appreciation for Mr. Edidin's appearance here today, and that we recognize he is appearing prior to the formal order being entered in connection with the committee's application for immunity.

Further, we do agree that no use of Mr. Edidin's testimony here today will be made until such time as a formal order has been entered by Judge Sirica. We do have an appointment to meet before Judge Sirica tomorrow morning, November 13, 1973, at 10 a.m. And with that on the record, I believe we will proceed.

Mr. BRADY. That will be fine.

Mr. SCHULTZ. Mr. Edidin, would you state your full name, please?

TESTIMONY OF SOL M. EDIDIN, ACCOMPANIED BY RICHARD BRADY AND JOHN VINE, COUNSEL

Mr. EDIDIN. My name is Sol M. Edidin.

Mr. SCHULTZ. And what is your present address, your residence?

Mr. EDIDIN. My present home address is 6915 Clifton Road, Clifton, Va.

Mr. SCHULTZ. And what is your phone number?

Mr. EDIDIN. 631–1079, area code 703.

Mr. SCHULTZ. And what is your place of employment currently?

Mr. EDIDIN. I am with the Car and Truck Renting and Leasing Association. The office is at 1725 K Street, rooms 408 and 409.

Mr. SCHULTZ. And how long have you been at the Car and Truck Rental and Leasing Association?

Mr. EDIDIN. Since June 1, 1972.

Mr. SCHULTZ. Prior to June 1, 1972, where were you employed?

Mr. EDIDIN. I was employed at the Hertz Corp., at its offices in New York City.

Mr. SCHULTZ. And what was your capacity at the time you left Hertz?

Mr. EDIDIN. Well, at that time or immediately prior to that time, I was vice president and general counsel and secretary.

I hesitated a little bit, because the man who was appointed to replace me became general counsel sometime during the last month, and it might not be technically correct that I was——

Mr. SCHULTZ. I understand. For what length of time were you vice president and general counsel and secretary?

Mr. EDIDIN. Well, I became vice president in 1961, I became secretary in 1967, and I became general counsel in 1968.

Mr. SCHULTZ. And when did you begin with Hertz?

Mr. EDIDIN. I joined Hertz in 1956.

Mr. SCHULTZ. From 1961 on, would you tell us to whom you reported?

Mr. EDIDIN. Generally, I reported to the chief executive officer; depending on who was occupying the office, it might have been the president in title; it might have been chairman of the board. Occasionally we had both a president and a chairman of the board.

Mr. SCHULTZ. In 1961 to whom did you report?

Mr. EDIDIN. In 1961 I believe we had both a president and a chairman of the board. I believe the president at that time may have been Rodney Peterson, and the chairman may have been Mr. Leon C. Greenbaum.

Mr. SCHULTZ. Did you report to Mr. Peterson then?

Mr. EDIDIN. I reported to Mr. Peterson and then to Mr. Greenbaum.

Mr. SCHULTZ. To both?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. And when did this reporting procedure change?

Mr. EDIDIN. Well, I continued to report to the office. Obviously, the people interchanged; we had a lot of changes in the names of people who held offices, and I don't have all of those in mind. But there were a lot of changes at the head level of Hertz.

Mr. SCHULTZ. All right. Let's be more current. In 1970, who did you report to?

Mr. EDIDIN. In 1970 I believe we simply had a president, and no chairman, and I believe that may have been Robert A. Smalley.

Mr. SCHULTZ. From 1970 until 1972 when you retired from Hertz, was Mr. Smalley the president and the individual to whom you reported?

Mr. EDIDIN. Mr. Smalley left the Hertz Corp., I believe, some time in 1972, prior to my leaving, and he was then replaced by a new—I believe it was chairman, Ron Perman, who may have held the office of president for a short time. And then I believe a Mr. Gerald Shapiro was the president.

Mr. SCHULTZ. Can you place the approximate time that Mr. Smalley retired or left Hertz?

Mr. EDIDIN. I really believe it was early in 1972, but I don't know the exact date. That can be ascertained.

Mr. SCHULTZ. Approximately January of 1972?

Mr. EDIDIN. January, maybe February.

Mr. SCHULTZ. Your best recollection.

Mr. EDIDIN. Some time perhaps in the first quarter of 1972.

Mr. SCHULTZ. And then in January of 1972, did Mr. Ron Perman take over his functions as chairman, as opposed to president? Is that correct?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. And then when did Mr. Gerald Shapiro take over as president?

Mr. EDIDIN. I think at the time Perman became chairman Shapiro became president. That took place within a short time after Smalley left.

Mr. SCHULTZ. Prior to your leaving?

Mr. EDIDIN. Prior to my leaving.

Mr. SCHULTZ. So it would have been in the first quarter of 1972?

Mr. EDIDIN. The first quarter of 1972, perhaps the last quarter of 1971, but I think early in 1972.

Mr. SCHULTZ. In your capacity as vice president and general counsel and secretary, did you select the outside law firms with whom Hertz did business?

Mr. EDIDIN. Generally I did. There were occasions in which lawyers who headed the operating divisions would select attorneys for various types of activities, and on occasions Perman might select some attorneys to represent us, particularly in tax areas.

Mr. SCHULTZ. Perhaps it would be helpful at this point if you would describe for us the Hertz setup and the various divisions or departments, if you would, please.

Mr. EDIDIN. Well, the Hertz Corp. is a Delaware corporation, and its antecedents go back to the 1920's. At the time, in 1971, 1972, it was both an operating company and, in a sense, a holding company for a number of subsidiary operations.

The Hertz Corp. itself conducted vehicle renting and leasing operations in the United States or in the 50 States. There was a rent-a-car division headed by a vice president; a truck division, headed by a vice president; a car lease division, headed by a vice president. Those were the major activities.

In addition, the Hertz Corp. owned all of the stock of Hertz System, Inc., which was a franchising company. It did not conduct actual vehicle renting or leasing operations, but franchised others to do so, including the Hertz Corp. It owns all of the names and marks associated with Hertz.

Mr. SCHULTZ. What was the name of this company?

Mr. EDIDIN. Hertz System, Inc.

Mr. SCHULTZ. All right.

Mr. EDIDIN. At the time, the Hertz Corp. was itself a wholly owned subsidiary of what is now RCA Corp. In 1967, I believe it was May 1967, RCA, in essence, acquired the ownership of Hertz, and I believe that has continued until the present. Does that suffice for your purposes? Is that enough for your purposes?

Mr. SCHULTZ. Yes, thank you. I think that will cover it. When you became vice president and general counsel in 1968——

Mr. EDIDIN. I became general counsel in 1968. I became vice president in 1961. I believe I then had the title of corporate counsel, but we have an outside general counsel. Since we were at that time an independent, publicly owned company, we used an outside general counsel.

Mr. SCHULTZ. Well, I guess what I was getting to was, did you report to the general counsel of RCA in 1967, when they took over?

Mr. EDIDIN. Yes, I did. I'm sorry. I should have mentioned that. I did have a reporting line to the general counsel of RCA, and I reported to them, as I guess, perhaps others in the RCA company.

Mr. SCHULTZ. Has the general counsel for RCA been the same since 1967, or has this position also changed over the years?

Mr. EDIDIN. So far as I know, the same man occupies that position.

Mr. SCHULTZ. And who is that individual?

Mr. EDIDIN. His name is Robert Werner.

Mr. SCHULTZ. Mr. Edidin, your counsel has handed me a statement that you have prepared. Would you identify it for the record, please, and we will ask that it be included as an exhibit.

Mr. EDIDIN. This is a statement describing my employment with Hertz and my contacts with the 1972 Presidential campaign. It is a four-page statement and represents my knowledge of the events described therein.

Mr. SCHULTZ. And there is no date on it. When was this statement written by you?

Mr. EDIDIN. The statement was prepared most recently, I guess today.

Mr. SCHULTZ. I would ask that the reporter put the date November 12, 1973, at the top of the statement and mark it as exhibit 1 for executive session testimony of Mr. Edidin.

[The document referred to was marked Edidin exhibit No. 1, for identification.*]

Mr. SCHULTZ. With reference to your statement, Mr. Edidin, you note that either during late 1971 or early 1972 you were contacted by the chief executive of Hertz, Mr. Robert A. Smalley, relative to a conversation that he was having with Mr. Donald A. Petrie, former executive of Hertz.

And then you go on to describe that this led to an arrangement for vehicles to be provided to the Muskie Presidential campaign. What did Mr. Smalley tell you to do in connection with this conservation?

Mr. EDIDIN. Mr. Smalley called me on the phone and told me that he was talking to Don Petrie, that Don Petrie was associated with the Muskie campaign, and wanted some help from Hertz in terms of vehicles. He instructed me to assist Mr. Petrie, to help Mr. Petrie out, to make sure that we didn't give him a blank check, that we didn't get too deep in terms of money, and to see what we could do about restricting the use of those vehicles. I agreed to do so. He told me that——

Mr. SCHULTZ. Did you subsequently talk to Mr. Petrie?

Mr. EDIDIN. Almost immediately thereafter I talked to Petrie, and I am never sure whether it was a transfer on the phone from the conversation that Smalley had or whether he called me independently. But I talked to Petrie and——

*See p. 12252.

Mr. SCHULTZ. That's in late 1971 or early 1972?

Mr. EDIDIN. Yes. It was within 10 minutes, 15 minutes of—a very short time after my conversation with Smalley.

Mr. SCHULTZ. Do you have any record which would identify the specific date of this conversation?

Mr. EDIDIN. No, I don't. I know it had to be before Smalley left, and it had to be while Petrie was associated with the Muskie campaign. I don't know those dates, but that would narrow it down a little bit that way.

Mr. SCHULTZ. Do you have a desk calendar or a telephone log or something that you could refer to or furnish the committee with for the purpose of determining this date?

Mr. EDIDIN. No, I don't.

Mr. SCHULTZ. What did Mr. Petrie say to you?

Mr. EDIDIN. Well, Petrie seemed to be aware of the problems that had bothered Smalley, because when he came on he almost immediately indicated to me that, clearly, our commitment ought not to extend—or ought to extend only up to the convention, and then he assured me that the vehicles used would be used only by a restricted group of advancemen. That was the expression that was used.

And I agreed in order to control this thing that—or I suggested that in order to control this thing, we would handle all of the arrangements for cars through my office. He would give me the names of the people who are authorized to use vehicles, that they would call my office when they needed a vehicle, and that I would arrange for the vehicle.

Mr. SCHULTZ. In other words, you would set up the reservation for the vehicle?

Mr. EDIDIN. That is correct.

Mr. SCHULTZ. How many names did he give you?

Mr. EDIDIN. Either at that time or subsequently I think he gave me five names, four or five names. I can't remember the exact number, but it was a limited group.

Mr. SCHULTZ. Do you remember the names?

Mr. EDIDIN. The only name I remember clearly is the name of Ickes, because of his father I guess; I guess it's his father. But there was an Ickes involved in the thing, and that was the only name I clearly remembered, or that I remember.

Mr. SCHULTZ. All right. What else were you to do? You got approximately five names and you were to make the arrangements when they wanted to rent a car. What else?

Mr. EDIDIN. I arranged for the vehicles to be made available. I also arranged for the bills, when the rental was completed, to be sent directly to my office, and we held and accumulated the bills there.

Mr. SCHULTZ. Do I understand that these bills were to be accumulated from late 1971 or early 1972 through the Democratic National Convention?

Mr. EDIDIN. Up to.

Mr. SCHULTZ. Up to the convention?

Mr. EDIDIN. [Nods in the affirmative.]

Mr. SCHULTZ. Were you, in effect, guaranteeing the payment of these bills?

Mr. EDIDIN. Well, the arrangement was that these bills would be taken care of by the Hertz Corp.

Mr. SCHULTZ. Now, so that I understand this, was this your agreement with Petrie or was this what he was asking you to do?

Mr. EDIDIN. No; it was my understanding from my conversation with Mr. Smalley that this is what I should do.

Mr. SCHULTZ. In other words, the bills were sent to your office, but there was no intent on the part of Hertz to ever submit them to anyone else? Hertz was just going to pick up the tab for the use of these cars from late 1971 or early 1972 through convention time?

Mr. EDIDIN. That is correct.

Mr. SCHULTZ. And this was on the direction of Mr. Smalley?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Was this direction given to you over the phone?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Was it ever reduced to writing in a memorandum form?

Mr. EDIDIN. No.

Mr. SCHULTZ. Did you ever review with Mr. Smalley the amount of the car rental bills that were accrued?

Mr. EDIDIN. No; I didn't. Actually, what I did was turn the function over, of making the arrangements and holding the bills, to my secretary. She kept a running total of these and told me about them from time to time. Mr. Smalley was gone, it seems to me, fairly shortly thereafter.

Mr. SCHULTZ. What was your secretary's name?

Mr. EDIDIN. Ellen Brown, Ms. Ellen Brown.

Mr. SCHULTZ. To your knowledge, is she still employed at Hertz?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Now, did you periodically go over the number of requests and the amount of the bills that were being accrued for your own information with Ellen Brown?

Mr. EDIDIN. On a couple of occasions, I went over the tabulations with her. She kept a running score of these as they came in, and she would call them to my attention from time to time.

Mr. SCHULTZ. Do you have some recollection as to when you did this and what the amounts might have been?

Mr. EDIDIN. No; I really don't, Mr. Schultz.

Mr. SCHULTZ. All right.

Mr. EDIDIN. I may have done so on two or three occasions. I don't remember.

Mr. SCHULTZ. Were all of the bills to be held until convention time, or were you going to somehow have them absorbed by Hertz at various intervals? What was your understanding of this?

Mr. EDIDIN. Well, my intention, my own intention, was to hold them until we had accumulated the total and then to cause them to be written off as uncollectable debts.

Mr. SCHULTZ. Had you ever used this procedure before?

Mr. EDIDIN. Not in the Presidential campaign in 1972.

Mr. SCHULTZ. When you say "written off" would it have been written off as an advertising expense, or how would you write it off?

Mr. EDIDIN. As an uncollectable debt. I would assume that that would be the case. My hope was simply to go to the comptroller and tell him that I wanted these written off.

Mr. SCHULTZ. Now, you state that Mr. Smalley left the company on or about January of 1972. Did you discuss this arrangement with him prior to his departure?

Mr. EDIDIN. No; I think the only time I may have discussed it with him was, really, in passing, simply to tell him that I had, that I talked to Petrie and had taken care of the matter, something like that. I never had any detailed discussion with him about the matter at all after that first conversation.

Mr. SCHULTZ. Did you ever submit to Mr. Smalley, prior to his leaving, an end of the month memorandum on the amounts involved or any submission?

Mr. EDIDIN. No; no, I never did, Mr. Schultz.

Mr. SCHULTZ. Now, when Mr. Smalley left the company, did you—he was replaced by Mr. Perman?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Did you discuss the arrangement that you had with Mr. Perman?

Mr. EDIDIN. No; I did not.

Mr. SCHULTZ Weren't you a little concerned that you were out on the limb with cars being rented and bills coming to your office without approval of some current chief executive?

Mr. EDIDIN. Well, perhaps I should have been, but I wasn't. It may have been that by that time—and I don't know the dates again—the Muskie campaign may have slowed down substantially or may have disappeared. I don't remember the exact dates on this, but I never did discuss this with Mr. Perman until just before I left. Of course, I was involved in a lot of other things. I was getting ready to leave, and there were other problems, and I simply was not concerned about this one.

Mr. SCHULTZ. Did you ever discuss this car arrangement with Mr. Werner?

Mr. EDIDIN. No; I did not.

Mr. SCHULTZ. Tell us what happened, if you will, when did this arrangement terminate?

Mr. EDIDIN. Well, the arrangement terminated in the sense that we no longer got bills when Senator Muskie withdrew. I waited a while thinking that there may be some outstanding bills that had yet to come in and so forth; and I suppose, in a sense, forgot about the thing until shortly before I left Hertz. I then realized I had this problem, that I had to—that I felt I should clear up before I left. It was not something that was known to the new general counsel.

Mr. SCHULTZ. And you left Hertz?

Mr. EDIDIN. I left Hertz at the end of May.

Mr. SCHULTZ. The end of May 1972?

Mr. EDIDIN. 1972.

Mr. SCHULTZ. What did you do then?

Mr. EDIDIN. I took the accumulated bills, and went to the controller. The controller at that time was a man named Falk, Mr. Richard Falk. I told him I had the bills, which I think were $8,000 to $9,000 in total, I'm not sure; indicated the general nature of the expenditure and commitment to him. I believe I did that though I wasn't very specific about it, and told him I wanted the bills written off.

Mr. SCHULTZ. What was his response?

Mr. EDIDIN. Now, he objected. He said at that time we were having a lot of auditing work done by outside auditors, by RCA auditors, that he felt it would be a noticeable thing, and he refused to do this unless he were specifically instructed to do so by the chief executive.

Mr. SCHULTZ. And the chief executive at this time would have been Mr. Perman?

Mr. EDIDIN. Mr. Perman.

Mr. SCHULTZ. Now, how did these—how were these bills reflected in name? Were they in your name, or did it say Muskie committee on the bill and came to your office?

Mr. EDIDIN. I think they really reflected that they were—the rental agreements were in a variety of forms. I think occasionally they were in the name of the person using the vehicle, or some indication of an address, like the Committee for the Election of Muskie for President or some such thing.

Occasionally, they might have been in the name of the committee with some indication that the driver was one of the persons whose name I had. I think—now, not being too clear in my mind on this—that they weren't in any one particular form.

Mr. SCHULTZ. Does the Hertz Co. use a computer program for their billing?

Mr. EDIDIN. Yes, I believe they do.

Mr. SCHULTZ. How were you able to circumvent the normal billing process that a computer would turn out?

Mr. EDIDIN. I think they were simply treated as—and I am supposing this now—as normal uncollectable accounts. The people at the address may have received a notice from Hertz that there was a bill due. I don't know what they did with the particular notice; or it may have been that the normal lapse in computer time. I think those bills probably get out maybe 30 to 60 days after the month ends in which the rental occurs, and then there is no followup for some particular period of time after that.

Mr. SCHULTZ. Do this for me. Trace through an actual transaction. You remember the name Mr. Ickes. Suppose Mr. Ickes called you and asked for a car in Cleveland, Ohio.

Mr. EDIDIN. Well, let's take Wisconsin. I remember Wisconsin.

Mr. SCHULTZ. All right. Wisconsin. What did you do?

Mr. EDIDIN. He called up and said on Tuesday I'm going to be in Milwaukee, and I want a car there in the afternoon. My secretary would call the city manager in Milwaukee, Wisc., and say that a Mr. Ickes will be arriving there at such and such a date, to have a Chevrolet or other fine car available for him; and to compute the bill out at regular rates and send the bill direct to this office for handling.

Mr. SCHULTZ. So then the city manager in each instance would mail the bill directly to your office, so there was no problem with the normal cycle of billing.

Mr. EDIDIN. It didn't go back through the normal cycle.

Mr. SCHULTZ. Then, when it got to your office, your secretary would maintain it in a file or a folder, I assume?

Mr. EDIDIN. That's right.

Mr. SCHULTZ. To your knowledge, did she keep records of the individuals who were authorized to rent vehicles, and check this with the vehicles that were, in fact, rented?

Mr. EDIDIN. Yes, I believe she did. She had the names, and she kept a running, you know, scorecard on which of these people rented a vehicle at which time, and what the period of the rental was and what the amount was.

Mr. SCHULTZ. Now, did she keep you apprised of the current status of these rental agreements by weekly or monthly memorandums?

Mr. EDIDIN. No. She did not. She kept the running chart, and on occasion, as I have indicated, I think on two or three occasions, I saw the chart and she indicated to me what the total was, and so forth. I never—I think only one occasion did I get concerned about a particular rental, and that was simply because one city manager called in and said, the rental was for a longer period of time and was amounting to a lot of money, and he was wondering about whether he was going to get paid. And I reassured him and told him not to worry about it.

Mr. SCHULTZ. Now, was the city manager of each of the locations where a car was rented out any money because of this?

Mr. EDIDIN. Well, I don't——

Mr. SCHULTZ. You see, we have a situation where a city manager rents a car on your authority, and he sends the bill directly to your office, and the bills are being held.

Mr. EDIDIN. That's right. And at some particular point, they will be written off as uncollectable. So I suppose to that extent his operation would have reflected a bad-debt kind of situation; an inability to collect certain funds.

Mr. SCHULTZ. Were they, the city managers, notified on a monthly basis or 6 months as to what the status was of these bills that they had sent into your office?

Mr. EDIDIN. No, they were not.

Mr. SCHULTZ. I believe you said that the arrangements stopped because the bills didn't come in, and you weren't absolutely certain when that was, but it was prior to your leaving Hertz?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Did you have any discussion with Mr. Petrie at this time concerning the end of the need for this car arrangement?

Mr. EDIDIN. No; I think Mr. Petrie at that time shifted to another presidential nominee, and I don't believe—I don't believe I ever discussed it with him again.

Mr. SCHULTZ. Did you ever have any conversation with Mr. Petrie——

Mr. EDIDIN. During that period, let me put it that way.

Mr. SCHULTZ. Well, we're talking about the period of time that Senator Muskie withdrew from the presidential campaign and the bills stopped?

Mr. EDIDIN. Yes; I did not discuss it with Mr. Petrie.

Mr. SCHULTZ. At any time during the car rental arrangement did you talk to Mr. Petrie with regard to the amount of bills that were accruing?

Mr. EDIDIN. I don't think so. I really don't think I ever talked to him at all after that during that particular period.

Mr. SCHULTZ. Did Mr. Petrie discuss with you the fact that Hertz was to pick up the tab, if you will, on these car rentals?

Mr. EDIDIN. When I talked to Petrie, I was really talking to him about the techniques for handling what I assumed to be an arrangement that he had worked out with Smalley for free cars. I don't recall that I discussed these things with Petrie. I mean, I don't recall any flat statements like, the cars are going to be free or something of that sort, and I think we all understood that they were.

Mr. SCHULTZ. Your conversation with Petrie then was just concerning the procedures of the arrangement of getting the cars for the individuals, and who they were?

Mr. EDIDIN. And for holding within limits, within some kind of limits, so that there would be no blank check in accordance with Mr. Smalley's instructions, the amounts involved.

Mr. SCHULTZ. Well, you state that you don't recall any direct conversation with Mr. Petrie about the fact that Hertz would pay for this. Did Mr. Petrie indicate to you that he would guarantee the bills?

Mr. EDIDIN. No; he did not.

Mr. SCHULTZ. But it is your statement then that the arrangement for Hertz to actually pay for the car rentals was from Mr. Smalley, and you were acting on his direction?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Now, we are at the point when you were ready to leave, and you have a problem, and the controller, Mr. Falk, has objected—in fact, refused—to write off these bills unless directed to do so. What did you do then?

Mr. EDIDIN. I went to the chief executive, Mr. Perman, and told him about the arrangement.

Mr. SCHULTZ. Could you place the time for us?

Mr. EDIDIN. It must have been in May, and I would think of 1972. This was really toward the end, and I was hurrying to do this.

Mr. SCHULTZ. What did you say to him and what did he say to you?

Mr. EDIDIN. I told him that we had had a commitment worked out with Smalley to help Petrie out in the Muskie campaign; that pursuant to that arrangement, we had accumulated $8,000 or $9,000, whatever the figure is, of bills, that I wanted to get them written off, but that the controller refused to do so.

Mr. Perman had been controller and then treasurer for Hertz. He came out of an accounting background, and I think he understood and sympathized with the controller's feelings about this matter. But he also agreed with me that we had a commitment to take care of these bills, and the only alternative that suggested itself was some way of getting them paid off.

Mr. SCHULTZ. In other words, Mr. Perman would not go along with writing them off as a bad debt?

Mr. EDIDIN. He agreed with Falk that this could draw attention, and that we shouldn't do it that way. So the alternative was to pay them, get them paid.

I suggested to him that I would raise funds through contributions to be made to the Muskie committee, whatever the title of it was, under—with an understanding that the amounts that I raised would be equal to the sum of the bill, and that the Muskie committee, when they received these contributions, would then pay the bill.

Mr. SCHULTZ. What was Mr. Perman's response to this suggestion?

Mr. EDIDIN. Well, he agreed with that, and I told him that I was going to have to get some bills from attorneys for legal services, that

I would have to pay those bills off before I could get the checks to the Muskie committee, and that—I said, please see to it that I don't have any trouble with the controller when these bills come in. And he agreed. I don't know whether he ever talked to the controller or not, but I didn't have any trouble.

Mr. SANDERS. I missed who you said you told that to.

Mr. EDIDIN. Perman, Ron Perman.

Mr. SCHULTZ. Now, on the payment of bills, were you the final authority on writing, on approving payment of bills, legal bills I'm talking about?

Mr. EDIDIN. Well, to some extent. There were bills that were paid by the divisional attorneys that I didn't see, and there were bills paid by city managers and so forth that I didn't see. We had all kinds of legal bills, but I did approve many legal bills, many bills for legal services.

And in most cases, the way we were organized, I had no separate budget for legal services myself. They had to be, in essence, paid out of the funds of the operating divisions. And there would be an approval at that level as well, and then the controller would, I guess, technically approve it before the check was covered.

Mr. SCHULTZ. Would the controller come to you when there was a bill for legal services, and ask you to verify that the services were, in fact, performed? Is that why you asked for Perman, to insure that you would have no problems with him?

Mr. EDIDIN. Not very often, Mr. Schultz, but on occasion he would do so, or the divisional controller might call me up and say, what is this one about, or something of that sort, you know. And I would explain it to him over the phone.

Mr. SCHULTZ. Well, if your explanation was not satisfactory, would they have authority to stop payment on the bill?

Mr. EDIDIN. Well, they might say I'm going to refer this to my divisional vice-president or something of that sort; that didn't happen very often but it could.

Mr. SCHULTZ. But in any event, you asked Mr. Perman to insure that you didn't have a problem with the controller?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. I believe you stated to your knowledge you don't know whether or not Mr. Perman talked to the controller?

Mr. EDIDIN. I don't know if he ever talked to him.

Mr. SCHULTZ. How did you go about setting this—well, was there anything further in your conversation with Mr. Perman?

Mr. EDIDIN. No; he simply agreed with me. Then—I had a few days left, and I then proceeded to call—and I don't know the sequence of this—I called attorneys to see whether they would give me a check made payable to this Muskie committee for varying amounts. I called a number of them to get a total equivalent of the amount of the bill. I knew that I would have to pay to them more than the amount of their contribution, because I intended to cover their income tax liability for this income.

Mr. SCHULTZ. Now, you say you called the attorneys to see if they would write you a check payable. Now, was this the first attempt, or are you incorporating in this your suggestion that they submit a bill so that they could be reimbursed for the check?

Mr. EDIDIN. Well, yes. That was part of the whole conversation. It really was one conversation.

Mr. SCHULTZ. I see. I see.

Mr. EDIDIN. And these were persons who I knew were friends of mine as well as people who were doing work for Hertz. And I also talked to a Mr. Matthew Lifflander, who is an attorney in private practice in New York, but who had been employed in the past by Hertz. In fact, I hired him. He was with Hertz for quite a while, and cleared with him whether I could get a check from the Muskie committee for the amount of their car rentals if they got these contributions in an equivalent amount.

Mr. SCHULTZ. Would you spell Lifflander, please?

Mr. EDIDIN. L-i-f-f-l-a-n-d-e-r.

Mr. SCHULTZ. What was Mr. Lifflander's capacity with the Muskie committee?

Mr. EDIDIN. Well, he was associated with the Muskie committee in some capacity, and he had known Muskie and had been associated with Muskie when Muskie ran for the Vice Presidency in 1968. He known had him a long time.

Mr. SCHULTZ. Well, to your knowledge was he in some official capacity with the Muskie committee during the Presidential campaign of 1972?

Mr. EDIDIN. I really don't know, but I called him because I thought he would be somebody who would know the Muskie people, and would be able to give me an answer on this query. At any rate, he called me back and told me that this could be done.

Mr. SCHULTZ. He gave you some assurance that Hertz would be paid in full if the money in equal amount was contributed to the Muskie committee?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. How many attorneys did you call?

Mr. EDIDIN. Mr. Schultz, I'm kind of unclear about this, and I may have called a half dozen.

Mr. SCHULTZ. Well, let me rephrase the question. How many attorneys ultimately participated?

Mr. EDIDIN. It could have been as many as six, five or six, I think.

Mr. SCHULTZ. Would you name them for us, please?

Mr. BRADY. We would like very much, Mr. Schultz, to—at least at this time—not name those individuals. Mr. Edidin will speak for himself on it, but I would like to as well interject, we aren't completely sure of the names. We have no way of confirming Mr. Edidin's recollection without access to the records of Hertz, which presumably would enable him to identify them with assurance. But as a matter of simple fairness, we very strongly want to not be in a position of naming someone who may not have either been asked or participated.

Mr. SCHULTZ. I have the records of Hertz right here, and for this point in the record, I will agree to that. However, when we do get to the records, I will ask for specific names and expect to have that question answered. I would like to have more of the general information. Then we'll get to the records.

Mr. BRADY. With the records, with that aid, I think, at least for the purposes of the executive session, Mr. Edidin would cooperate. But it would be unfair, we think, to put down their names because there

might be one or two mistakes he could make of people he might have called and maybe didn't call.

Mr. SCHULTZ. Let me ask this while we're on that point. Did you keep any independent record of the attorneys who did participate?

Mr. EDIDIN. No; I didn't.

Mr. SCHULTZ. Did your secretary keep an account, a log, if you will, of those that paid and contributed and how this was affecting the balance that was outstanding?

Mr. EDIDIN. I don't think she did. I think she simply held the checks until we sent them over to Lifflander.

Mr. SCHULTZ. All right. That was my next question. Did you send the checks to Lifflander? Now, the checks that you sent to Lifflander were made out to a Muskie committee?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Do you know how they were made out?

Mr. EDIDIN. Well, they were made out to a Muskie committee, and it could have been the Muskie Committee for President or—I don't recall the exact names. I do recall that I gave names, the name to be used on the check, but I may not have even given the same names to everybody, but they were paid payable to some kind of Muskie committee.

Mr. SCHULTZ. Can you tell us the total amount involved?

Mr. EDIDIN. My recollection is somewhere between $8,000 and $9,000. I don't know the exact amount.

Mr. SCHULTZ. When were these checks taken to Lifflander? As you accumulated them, or all at one time?

Mr. EDIDIN. All at one time, I believe.

Mr. SCHULTZ. And what was the date of that, if you remember?

Mr. EDIDIN. Again, it must have been mid or late May of 1972.

Mr. SCHULTZ. While you were still in office at Hertz?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. And where did this delivery take place?

Mr. EDIDIN. I think, though I'm not sure, that I simply sent the checks over in an envelope to Lifflander's office.

Mr. SCHULTZ. Did you give them to him personally?

Mr. EDIDIN. No; I didn't. Somebody else, I believe, took them over.

Mr. SCHULTZ. Who took them over?

Mr. EDIDIN. I don't know. It might have been a Mr. Fred Weiglin, who worked for me and did messenger work of this sort.

Mr. SCHULTZ. Would you spell his name, please?

Mr. EDIDIN. W-e-i-g-l-i-n.

Mr. SCHULTZ. Was Mr. Weiglin knowledgeable about what he was delivering, or was he a mere messenger doing what you told him to do?

Mr. EDIDIN. He was a mere messenger. I don't believe he was aware of what was in the envelope. I am not very clear on this. I think that is how I got them over there, but I got them over there. I got them to Lifflander, and I think delivered to his office.

Mr. SCHULTZ. How many checks were there?

Mr. EDIDIN. I don't remember. It could have been five or six.

Mr. SCHULTZ. What was the largest amount on one check?

Mr. EDIDIN. Again, Mr. Schultz, I really don't remember. It could have been $1,000. It would have had to be more than that. I'm sorry. I really can't remember.

Mr. SCHULTZ. Did you ever receive confirmation from Mr. Lifflander that he, in fact, received the checks?

Mr. EDIDIN. I believe I did. And in any event before I left, we did receive a check from the Muskie committee. Hertz received a check from the Muskie committee for the amount.

Mr. SCHULTZ. How many days or weeks did this operation take? What are we talking about? Two or three days? Two or three weeks?

Mr. EDIDIN. I think a week or less.

Mr. SCHULTZ. Now, in that week, you called the attorneys. They sent their check, and they also sent a bill to Hertz which you approved for payment?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. And the end of the week, you had the checks delivered to Mr. Lifflander?

Mr. EDIDIN. Well, in that period of time.

Mr. SCHULTZ. Approximately?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. And prior to your leaving Hertz at the end of May then a check from the Muskie campaign came over, or the Muskie people came over in full payment of the outstanding bills?

Mr. EDIDIN. In full payment of the outstanding bills.

Mr. SCHULTZ. Who signed the Muskie check, if you know?

Mr. EDIDIN. I don't know.

Mr. SCHULTZ. Who delivered the Muskie check to you, or was it mailed?

Mr. EDIDIN. I believe it was mailed.

Mr. SCHULTZ. Do you know whether the check came from Washington or New York or where it came from?

Mr. EDIDIN. I cannot remember, Mr. Schultz.

Mr. SCHULTZ. Did you advise Mr. Perman that you had resolved the problem concerning the rental car bills?

Mr. EDIDIN. I believe I did.

Mr. SCHULTZ. When was that?

Mr. EDIDIN. Well, that must have been a very short time before I left. I think I simply told him that everything had been taken care of.

Mr. SCHULTZ. Did you have any further conversation with Mr. Lifflander that you had received the Muskie check, and the bills had been resolved?

Mr. EDIDIN. I may have, but I really don't recall that I did.

Mr. SCHULTZ. Did you have any conversation with Mr. Petrie concerning the fact that the Muskie bills for car rental had been paid?

Mr. EDIDIN. No, I did not.

Mr. SCHULTZ. To your knowledge, was Mr. Petrie aware of the arrangement that you had with the attorneys for the purpose of paying off these car rental bills?

Mr. EDIDIN. Not to my knowledge, I don't.

Mr. SCHULTZ. Is Mr. Petrie aware today of how you arranged for payment for these Muskie bills for car rental?

Mr. EDIDIN. I am sure that —I know he was aware they were taken care of by Hertz. I'm not sure that he's aware of how they were taken care of. I don't believe I ever discussed that with him.

Mr. SCHULTZ. How do you know he is aware that they were taken care of by Hertz?

Mr. EDIDIN. I had lunch with him some weeks ago, and he—the subject was brought up in connection with a bill that one of the people involved—one of the advancemen involved—had received a note from the Hertz Corp. that he owed them some money. And I told Petrie that I was sure that all of those bills had been accumulated and taken care of by Hertz. He later called me back, that same day, the same lunch—the afternoon of the same lunch—to say, yes, he had checked it; and of course, that is what had happened.

Mr. SCHULTZ. What is your relationship with Mr. Petrie?

Mr. EDIDIN. He is an old friend of mine. I knew him in law school. He hired me to come to work for Hertz. I have generally stayed in touch with him through the years, and I see him from time to time. So I know generally of his reputation in the industry, what he has been doing, and I see him from time to time.

Mr. SCHULTZ. Do you have lunch with him frequently?

Mr. EDIDIN. No. I saw him for lunch, as I say, some weeks ago.

Mr. SCHULTZ. When was that? Can you be more definite in time?

Mr. EDIDIN. It must be 6 or 8 weeks ago, that had been the first time I had talked to him in a long, long time.

Mr. SCHULTZ. And you say he called you back the same day that you had lunch to advise that he had determined independently that the bill had been taken care of?

Mr. EDIDIN. He checked it out, and he said, "of course, you are right. The bills have been taken care of."

Mr. SCHULTZ. Was the purpose of your having lunch with Mr. Petrie to discuss the outstanding Muskie bills in connection with the arrangement that you had made?

Mr. EDIDIN. Well, the purpose of the lunch was simply to have a—I assumed was simply to have a sort of social get-together, but we did discuss the Muskie bills at that time. He brought up these questions.

I have had one or two phone calls from him since that time about this matter. He just called me back once, again about some unpaid bill, and that he was going to advise these people to pay it.

Mr. SCHULTZ. Well, now, is this in connection with the Muskie car rental?

Mr. EDIDIN. This was in connection with these—yes—these bills that had been received, I guess, fairly recently by somebody who was one of these advancemen, which apparently—I don't know—had not been paid in that general accumulation that I thought, when we had cleaned the whole group up.

Mr. SCHULTZ. Well, what you're saying is some bills could have come in after you left at the end of May 1972, which were still outstanding?

Mr. EDIDIN. It is possible that that could have happened. I am not sure of exactly the reason for this arising at this date, which is, you know, more than a year after the last of those bills had been paid off; you know, the last of the bills had been accumulated and then paid off. I can't understand, frankly, why one of those people had received a bill at this time, but apparently one of them did.

Mr. SCHULTZ. What was that individual's name?

Mr. EDIDIN. It strikes me that it is Palombo, or something like that. It begins with a P. He called me, this man called me once to ask me about this bill, and how he should handle it.

Mr. SCHULTZ. How did he know to call you?

Mr. EDIDIN. I assume Petrie told him to call me. I don't know how otherwise. He could have remembered my name from the instructions he was given back during the days of the campaign.

Mr. SCHULTZ. You recognize the name of Palombo as one of those individuals when you made a reservation for a car?

Mr. EDIDIN. No, I don't.

Mr. SCHULTZ. When Mr. Palombo called, did he state the amount he was being billed for?

Mr. EDIDIN. I think he said $900. It was a pretty substantial bill.

Mr. SCHULTZ. $900?

Mr. EDIDIN. It was a big bill.

Mr. SCHULTZ. Did you discuss the payment of the Muskie bill with Mr. Werner?

Mr. EDIDIN. No, I didn't.

Mr. SCHULTZ. Have you ever had a discussion with Mr. Werner concerning the arrangement for renting cars for Muskie and/or the payment thereof?

Mr. EDIDIN. No, I never did discuss it with Mr. Werner.

Mr. SCHULTZ. Before we get into the records, do you have some questions?

Mr. SANDERS. Yes; what did Mr. Smalley feel was an amount which Hertz would be willing to absorb?

Mr. EDIDIN. I don't know. He didn't give me a figure in the conversation at all, just told me that we shouldn't get in too deep.

Mr. SANDERS. Did you have in mind some sum which was an upper limit?

Mr. EDIDIN. I didn't have an exact figure in mind, Mr. Sanders, but I did think that with a limited period of time, and with a limited number of people, I would be able to keep this down to a couple of thousand dollars. It ran up more quickly than I thought it would.

Mr. SANDERS. Do you have knowledge of any comparable arrangement provided by Hertz for any other presidential candidates in 1972?

Mr. EDIDIN. No.

Mr. SANDERS. Or in 1971 or 1970?

Mr. EDIDIN. No.

Mr. SANDERS. It was clear from your discussion with Mr. Smalley that he understood the Muskie campaign would not, in fact, reimburse Hertz for these expenditures?

Mr. EDIDIN. Oh, yes. I'm sure of that.

Mr. SANDERS. As you said, at least in your statement, I think it mentioned that he was on the phone with Petrie at the time he talked to you.

Mr. EDIDIN. I believe that's what he told me, that he was talking to Don Petrie.

Mr. SANDERS. And you subsequently had a conversation with Mr. Petrie?

Mr. EDIDIN. Yes; very shortly thereafter.

Mr. SANDERS. On the telephone?

Mr. EDIDIN. Yes.

Mr. SANDERS. Before implementing this arrangement, did you have any personal meeting with Petrie?

Mr. EDIDIN. No; I did not.

Mr. SANDERS. Only by telephone?

Mr. EDIDIN. That is correct.

Mr. SANDERS. Was it pursuant to this one phone call only shortly after you talked with Smalley?

Mr. EDIDIN. I think it was really that. It is possible that Petrie called later to give me the names. I think on one occasion there was a name change, so that there was a subsequent phone conversation, but that is all we talked about at those times were just the people. We never talked about the arrangement.

Mr. SANDERS. What did he say, if anything, in your recollection, which would indicate to you that he understood Hertz was going to absorb the cost?

Mr. EDIDIN. Well, the conversation almost started off with his saying immediately that he had talked to Smalley, and that of course Hertz should have no obligation; you know, Hertz' obligation would only extend up to the convention.

It fitted in precisely, I thought, with the instructions that Smalley had given me; so that what we were talking, we were talking about an arrangement for free vehicles that had been made, and what we were talking about were the techniques to insure that it didn't expand too far, that it didn't get to be a blank check for anybody in the Muskie campaign to use Hertz vehicles.

Mr. SANDERS. Did he remark to you that one of the reasons for his desire for this arrangement with Hertz was that the advancemen had practical difficulties in securing reservations for automobiles when they were on the road; that is that cars weren't, or might not be readily available for them, for example? That some rental agencies might not want to give credit to political representatives?

Mr. EDIDIN. I don't recall that we discussed that at all. We could have discussed the problem of having cars available when they were needed.

Mr. SANDERS. Did he discuss with you the matter of these bills not being processed through the ordinary billing system, so that the persons actually renting the car would not in the following month receive the bill?

Mr. EDIDIN. I think it was discussed, but I think it was discussed at my suggestion that I would make the arrangements; that he would give me the names, that I would make the arrangements for these people, that I would get the bills back, and that I would hold the bills. I regarded this as a control device to make sure that we wouldn't get too far.

Mr. SANDERS. When the reservation was made for an automobile for an advanceman through you, or your secretary perhaps, would the agency or adjunct of Hertz, which actually made the automobile available, be a franchised operation?

Mr. EDIDIN. It could have been. I don't recall that there were—that we had to get involved with the franchises at all. I think that these operations developed largely out of corporate stations.

Mr. SANDERS. And when you say that you would arrange for the city manager or station manager to send the bill to your office, do you mean all of the rental papers, that is all copies even, so that there would be no record of it in the rental office?

Mr. EDIDIN. No; I think all we got was the invoice copy. I think the other copies were distributed in whatever the usual form was.

Mr. SANDERS. The normal course of business?

Mr. EDIDIN. Yes.

Mr. SANDERS. So that there would have been possibly some input to the Hertz computer billing system?

Mr. EDIDIN. That could be, but I think that normally these are carried in another kind of suspense file. It could have been that it got on the computer as a debt due, and got treated in the normal course with the usual dunning letters going out. I never heard from anybody that they had gotten any dunning notice.

Mr. SANDERS. Did you take any measures to interrupt the ordinary accounting procedures of Hertz, other than to ask for that receipt to be sent to you rather than—or bill to be sent to you rather than to the person renting the car?

Mr. EDIDIN. That was the only thing I did.

Mr. SANDERS. I would think that in those circumstances, that there would be a followup billing by the accounting system.

Mr. EDIDIN. It could have been. In the normal situation, I would assume that if that had happened that somebody had been dunned that we would have gotten a call saying we're getting dunned for bills. And I don't recall that we ever got such a call. So I simply assume that they never got dunned.

Mr. SANDERS. Up until the time that you initiated the plan with the law firms, what persons within Hertz Corp., besides you and Mr. Smalley, were aware of this system of you holding the bills—and your secretary, of course?

Mr. EDIDIN. Well, it was my secretary. I think the various city managers would have known about this.

Mr. SANDERS. They only know of their own isolated instance?

Mr. EDIDIN. Yes, they only know of their own instance. I am just not sure that anybody else did know outside Hertz.

* * * * * * *

Mr. SANDERS. You stated when you were first contacted on this matter by Mr. Smalley, he was the chief executive officer. Did he remain in that capacity until Mr. Perman became the chief executive officer?

Mr. EDIDIN. Yes. He remained in that capacity until he left Hertz.

Mr. SANDERS. To whom would Mr. Smalley have reported?

Mr. EDIDIN. I believe to a Mr. Griffiths, who was an executive vice president of RCA.

Mr. SANDERS. Did you ever have any indication that Mr. Griffiths was aware of this arrangement?

Mr. EDIDIN. No, I do not.

Mr. SANDERS. Or that the RCA general counsel was aware of it?

Mr. EDIDIN. No. I don't believe he was aware of it.

Mr. SANDERS. At the time Mr. Smalley was chief executive officer, did you have a chairman of the board?

Mr. EDIDIN. No; we did not.

Mr. SANDERS. Was Mr. Perman with the firm at the time Mr. Smalley was chief executive officer?

Mr. EDIDIN. Yes; he was.

Mr. SANDERS. In what capacity?

Mr. EDIDIN. He was an executive vice president; prior to that time, he had been a vice president and treasurer. I forget the exact title. He was largely in the financial area.

Mr. SANDERS. You saw no indication that he had any knowledge of the arrangement before the time he became chief executive officer?

Mr. EDIDIN. No. I'm not sure, but I don't think he—I'm not certain that he knew of it at all up until the time I told him.

Mr. SANDERS. What was it that lead you to believe that you would be able to persuade the controller to write these bills off?

Mr. EDIDIN. Well, with respect to this, nothing occurred at the time of this campaign that would have led me to think so, but I do know that we had written off rentals on other occasions. I simply assumed that I would do somewhat the same thing here.

Mr. SANDERS. For other political campaigns?

Mr. EDIDIN. Not——

Mr. SANDERS. What I am saying is if you are talking about individual instances of writing off bills for an isolated purpose; I am not concerned with that. But apparently I gather that you had previously had some experience in other political campaigns, and I'm not going to ask you what they are or when. But I think it is a logical predicate to your expectation that they would be written off on this occasion.

Mr. EDIDIN. I don't recall, Mr. Sanders, that I ever wrote off bills in connection with a political campaign. I have heard people talk about this being done, but I have had bills written off on occasion for—not in connection with campaigns, but for political figures, or others who—to whom we thought this might be helpful.

Mr. SANDERS. And it was this previous experience that led you to think that this might be accomplished in this instance?

Mr. EDIDIN. Well, I knew that we wrote off a small proportion of rentals, but sometimes fairly substantial sums of money in situations where one simply cannot collect after a certain period of time, and one writes them off. There are a couple of ways of getting an item off the books, and one is to write them off and one is to pay them off. And I initially assumed I would be able to write them off.

Mr. SANDERS. When you talked with—is it Falk, you say?

Mr. EDIDIN. Richard Falk.

Mr. SANDERS. F-a-l-k?

Mr. EDIDIN. Yes.

Mr. SANDERS. And asked him to write off these bills. What did you tell him about the background of the arrangement?

Mr. EDIDIN. I think I indicated to him that we had an obligation to take care of some bills in connection with a political matter. I am not sure that I even identified the political matter to him though. That would have been quickly apparent if he had seen the bills. I may have shown him or given him the bills, and simply said, I would like to get them written off.

Mr. SANDERS. Some of the bills showed on their face that they were incurred by Muskie committees?

Mr. EDIDIN. Yes.

Mr. SANDERS. Before you undertook to contact the law firms did you speak with Petrie, perhaps concerning your—the problem you had in getting it written off?

Mr. EDIDIN. No, I didn't. I really don't believe I ever talked to Petrie about this matter up until these very recent conversations.

Mr. SANDERS. Well, I presume that Mr. Werner has knowledge now of this?

Mr. EDIDIN. I have never discussed it with him, but——

Mr. SANDERS. Let me word that differently. Really what I want to know is at the time you left Hertz, did it appear to you that Mr. Werner had any knowledge of the arrangement?

Mr. EDIDIN. No.

Mr. SANDERS. Would you explain further the telephone conversations you had with Petrie after leaving Hertz concerning billings? Did you only have one or two telephone conversations with him?

Mr. EDIDIN. I had one conversation to have lunch. We had a conversation at lunch in which he raised the question of some of the people coming to him who had bills from Hertz. I think one I remember, maybe he mentioned two, but one I remember as being fairly substantial in amount, and that is that Palombo or something, whose name begins with a P, it seems to me.

And I told him at the lunch that I thought the whole thing had been taken care of by Hertz. And subsequently after the lunch, shortly after the lunch I got back to the office and he called me, and said, of course, the whole thing—he apparently had just checked, and of course, that is the way it was handled, the whole thing had been taken care of.

Mr. SANDERS. Who had he talked with?

Mr. EDIDIN. I don't know. All he did was just call, and say, of course, you were right about this. The whole thing had been taken care of. Then I got a call from this Mr. P., whose name I keep calling Palombo. I don't know whether that is correct, and he told me that he had this bill in a substantial amount from Hertz. And I said to him, maybe the whole thing is a mistake and you're in error, because I thought the whole thing had been taken care of, and why don't you wait and see whether you get another bill.

And he said, fine, and I said it was nice to have talked to you. And I haven't heard from him since. I had another call from Petrie. He told me he had just returned from a honeymoon or something, and had I ever talked to that fellow about his bill. I think I told him yes, a man had called me up, and I told him what I had told the man. And he thanked me, and that was it.

Mr. SANDERS. And the time you had lunch with Petrie, had he not yet been on his honeymoon?

Mr. EDIDIN. Well, I—he had recently remarried. I think he was married or just about to get married at the time we had lunch together, and I don't know when—then I think it was after that that he went off on his honeymoon.

Now, during the period he was off on his honeymoon, I also got a call one day from a man named English, Jack English. And Jack English simply asked me whether—it was a very short and cryptic conversation about whether I had talked to Petrie about some rentals or something like that. And I said to him, I said, "Yes, I talked to him."

I said it's kind of an old story. It's been going on in New York, or there's been some investigation going on in New York about this. And he said to me, "No, it's not New York. It's the Senate committee." And then I said "Oh," or some such thing. And he said, "Thanks very much." I had been very helpful and he hung up.

Mr. SANDERS. Do you know who he was, this English?

Mr. EDIDIN. Jack English?

Mr. SANDERS. Yes; do you know who he is?

Mr. EDIDIN. Well, I know of his—I think it's the Jack English that was involved in the Muskie campaign. I think he called me—he's a lawyer out on Long Island, and I believe he called me from there. I just gathered from this that he was representing Petrie.

Mr. SANDERS. And this was within the last few weeks?

Mr. EDIDIN. Yes.

Mr. SANDERS. Did you tell Petrie that you had raised funds in order to discharge the indebtedness with Hertz by involving several law firms?

Mr. EDIDIN. I don't believe I have ever mentioned to him how this was—how the bill was paid, or how it was taken care of; simply that it was.

Mr. SANDERS. Did you tell Petrie that you had raised some funds in order to pay the bills?

Mr. EDIDIN. I don't believe so. In fact, I'm pretty sure I didn't.

Mr. SANDERS. In any of your recent conversations with Petrie, did it appear to you that he was aware that one of the Muskie committees had issued a check to Hertz to pay the bills?

Mr. EDIDIN. I gather from the—well, the conversation after lunch made me think that he knew that the bill had been paid by a Muskie committee, as it had been. But he didn't say so in so many words, and he just seemed to be aware that it had been paid.

Mr. SANDERS. Now, I presume Mr. Schultz is going to get into the law firm billings, but before we do that, I just want to make sure I have a general understanding of this system that you devised. You called a number of law firms, and in effect, you asked them to submit bills to Hertz for legal services. Is that correct?

Mr. EDIDIN. Yes.

Mr. SANDERS. Which at the time, you knew, would be for services not in fact rendered?

Mr. EDIDIN. That is correct.

Mr. SANDERS. And you asked them to send to you at the same time with their invoices a check for the amount of the bill payable, a check to be payable to a Muskie committee?

Mr. EDIDIN. I think that on some occasions we got the checks before we got the bills; and on other occasions, we got the billing before we got the checks. But I asked them to send it to me as quickly as they could. I needed to do it forthwith because I was leaving. And I wanted to——

Mr. SANDERS. Was it uniformly in the amounts of $1,000?

Mr. EDIDIN. No; I think they varied. I think some were smaller and some were larger. Don't hold me to the $1,000 figure. The mathematics in even my own mind don't quite work out. And if the total amount of the bill was as large as I think it was, and I may be wrong about that, then my idea of a $1,000 maximum is obviously incorrect, if there were six lawyers involved.

And I may be wrong in my recollection in the total amount of the bills, and I may be wrong in my recollection of the highest amount paid to me, but the amounts did vary. They were not all the same as I recall.

Mr. SANDERS. Did you suggest to them the name of a Muskie committee to be written in the check?

Mr. EDIDIN. Yes; I did.

Mr. SANDERS. And you used the names of different committees?

Mr. EDIDIN. No; I didn't. I think I got from Lifflander the name of—a name, and I think I relayed this name to everybody.

Mr. SANDERS. In talking with the lawyers or law firms, did you articulate the question of the tax consequence to them?

Mr. EDIDIN. I think I said to them that the—I'm sure I said to them that the bill should be in amount sufficient to cover their income tax liability for the income they received. I don't suppose one ever catches up with it, but—so that the amount that Hertz paid to receive back the Muskie checks was more than the amount of the Muskie billing.

Mr. SANDERS. Insofar as you know, all of those legal invoices, invoices for legal services, would have been processed through the Hertz accounting system in the normal course of business?

Mr. EDIDIN. Yes; I believe so.

Mr. SANDERS. Were they initialed by you in any way to indicate your approval?

Mr. EDIDIN. I'm sure they were.

Mr. SANDERS. Were they sent by you to any other corporate officer for approval other than to the treasurer or controller?

Mr. EDIDIN. No; chances are I gave them back to my secretary. She made out the appropriate form, which I initialed, and it went through as a routine legal fee payment.

Mr. SANDERS. Did you have any correspondence with any of these law firms concerning this arrangement?

Mr. EDIDIN. I don't think so. I think I did this all by telephone.

Mr. SANDERS. Or any correspondence with Lifflander concerning the arrangement?

Mr. EDIDIN. Again, I don't think so, Mr. Sanders.

Mr. SANDERS. OK.

Mr. SCHULTZ. Was the Muskie campaign a viable campaign at the end of May; in other words, the billing had stopped for the cars? Was there some strange response to a request for a campaign contribution to Muskie?

Mr. EDIDIN. No. There wasn't any response from the lawyers with respect to this at all, in terms of, you know—it was not a viable campaign either at that time. And one of the problems that I had was in knowing whether there was somebody who would be able to sign a check to send back to the Hertz Corp. I didn't know what the situation of the Muskie organization was at that time. But I assumed Lifflander would be able to tell me, and he was able to tell me.

Mr. SCHULTZ. The attorneys whom you solicited for this plan knew clearly that Hertz was to benefit, and indeed perhaps you were from the standpoint of getting out of the dilemma of taking care of $8,000 or $9,000 worth of bills?

Mr. EDIDIN. Well, I think they must have assumed that——

Mr. SCHULTZ. Well, did you tell them?

Mr. EDIDIN. I think I probably told them that I had to get some bills paid off, that I had a plan for doing so, and that this was what was involved.

Mr. SCHULTZ. In light—let me ask this first. Is Mr. Smalley still living?

Mr. EDIDIN. Yes, he is.

Mr. SCHULTZ. Did you have any discussion with him at the time that this problem of outstanding bills came up, even though he had left the company?

Mr. EDIDIN. No; I don't believe I have talked to him about it to this day.

Mr. SCHULTZ. Did any of the city managers call you and want to know about the payment on the bills that they had sent directly to your office?

Mr. EDIDIN. I never heard from the city managers except the one instance that I mentioned when one of the rentals was running long, and somebody wanted to be sure that he was going to be paid on the thing. And none of the city managers ever called and talked to me about payment on this. I think so far as they were aware they got paid.

Mr. SCHULTZ. So far as they were aware they got paid?

Mr. EDIDIN. Eventually the bills got paid.

Mr. SCHULTZ. I see.

* * * * * * *

Mr. SCHULTZ. Did you ever advise Mr. Petrie that in your absence, that the individuals whom he had—the names of the individuals whom he had furnished to you should call your secretary if you weren't there?

Mr. EDIDIN. Well, I think that was the arrangement we made initially. I talked about calling my office. I never did get the calls thereafter. I think Ellen Brown got them, and then took care of them in compliance with my instructions.

Mr. SCHULTZ. Do you know an attorney by the name of Bart Eaton?

Mr. EDIDIN. Yes; I do.

Mr. SCHULTZ. Was Mr. Eaton one of the individuals whom you solicited to raise money?

Mr. EDIDIN. I think so, but I would just have to check and make sure.

Mr. SCHULTZ. When bills were sent to you from the attorneys who had agreed to cooperate with you in your fundraising, were they marked for hand processing as opposed to computer processing?

Mr. EDIDIN. If you're talking about the check requests, I think that Ellen Brown did that for us really as a kind of routine matter. She always had the feeling that unless she did that, it would take—that they would get lost in the shuffle or something of that sort. And I think she probably did that with every bill that we had, or many of them.

Mr. SCHULTZ. Would there have been anything significant marked on the vouchers submitted for payment, or the checks which were made in payment of the bills, which would refresh your recollection as to the law firms involved?

Mr. EDIDIN. I don't think so, Mr. Schultz. I think if I see bills from around that time—I don't mean to hide who these people are, nor do I mean to hide the fact that I asked them to do this for me. I would just have to pick it up out of the materials, and say this is around that time, and I think it is this one.

Mr. SCHULTZ. All right. I want to go off the record.

[Discussion off the record.]

Mr. SCHULTZ. Would all the bills by which you made checks payable to raise a campaign contribution for Muskie have been paid through the corporate division?

Mr. EDIDIN. I don't know. I really don't know how they would have paid them.

Mr. SCHULTZ. Would any of them have gone through the truck division?

Mr. EDIDIN. I don't know where they would have gone through; probably the corporate division.

Mr. SCHULTZ. Were any of the bills submitted from attorneys outside of the city of New York?

Mr. EDIDIN. It is possible that one might have been. I am thinking of an attorney in Chicago to whom I might have made this kind of request.

Mr. SCHULTZ. Counsel, I hand you the Hertz corporate division records for 1972. These are legal bills which were submitted from within the State of New York and were paid.

Mr. SANDERS. What time period?

Mr. SCHULTZ. 1972. Will you please look through those, Mr. Edidin, and if you recognize the name of an attorney and a bill which you know you solicited, so advise us on the record.

[Discussion off the record.]

Mr. SCHULTZ. Mr. Edidin, you have had an opportunity to review the 1972 bills from within New York State, paid through the corporate division. Would you now tell us, to the best of your ability, those firms or individual practitioners who were involved in submitting bills for which no services were performed, and which ultimately wound up as a contribution to the Muskie committee?

Mr. EDIDIN. Yes, I will, Mr. Schultz. To the best of my knowledge, the bills which I am about to refer to or the people I'm about to refer to have the characteristics of being close together in May.

Mr. SCHULTZ. Of 1972?

Mr. EDIDIN. Of 1972. They also in each case—I note the original invoice contains the initials RJP, OK. RJP were the initials of Mr. Perman, and his OK on these bills would be somewhat unusual in the ordinary course.

They may reflect my conversation with him, in which I asked him to make sure that the controller would not hold up the payment of any of the legal bills, which I would obtain. The bills that I refer to is one dated May 17, 1972 from a Mr. Edgar W. Malkin, M-a-l-k-i-n, of 477 Madison Avenue, New York.

Mr. Malkin was, and perhaps still is, a partner of Mr. Richard M. Ticktin, who I know at the Hertz Corp., and who was one of the lawyers whose assistance I requested in this connection.

Mr. SCHULTZ. Are you saying then that the bill was submitted by Mr. Malkin as opposed to Mr. Ticktin?

Mr. EDIDIN. Yes; I believe so, though I think that the—it is possible that the check, which I obtained from this source for payment to the Muskie committee may have been made in Mr. Ticktin's name.

Mr. SCHULTZ. What is the gross amount of this ledger that you have identified?

Mr. EDIDIN. The gross amount of this bill is $1,500. The second bill is a bill dated May 19, 1972 from the law firm of Murray and Mewhinney, 235 Merrineck Avenue, White Plains, N.Y. Both Mr.

Murray and Mewhinney were former Hertz employees, and I believe I received from them, from each of them, checks payable to the Muskie committee.

Mr. SCHULTZ. Would you have any recollection of the amount of each of their checks?

Mr. EDIDIN. I have the idea that they were somewhat smaller than the others, and they may have been in the amount of $250 or $300 each.

Mr. SCHULTZ. And what is the gross amount of the bill?

Mr. EDIDIN. The gross amount of the bill is $900.

Mr. SCHULTZ. Is there an invoice number on that, so that we may further identify it?

Mr. EDIDIN. Well, going back, the invoice number of the Malkin bill, that is the—I guess what I am giving you is the check number of the Malkin bill.

Mr. SCHULTZ. All right.

Mr. EDIDIN. It is 116083. The check number of the Murray and Mewhinney bill is 120152. I don't know if that's the check number or the invoice number, but that is sufficient. Then I have a bill dated May 18, 1972 in the gross amount of $1,500 from the law firm of Weiss, Brownston, Rosenthal, Heller and Schwartzman, 295 Madison Avenue, New York. It is submitted by Mr. Matthew L. Lifflander, and there appears to be no invoice attached which shows payment. There is a notation on the bill, original invoice cannot be located.

Mr. SCHULTZ. What was the check number on that?

Mr. EDIDIN. There is no number on it.

Mr. SCHULTZ. Now, do each of these that you have just identified contain your name or initials in approving the payment?

Mr. EDIDIN. Each of these has my name on it indicating approval; each has the "RJP, OK" initials; and then the initials "RJF" in each case, which are the initials of Richard J. Falk, the controller.

Mr. SCHULTZ. Before you said you were surprised to see the initials of Mr. Perman. Was that because normally bills that you would have approved would not have gone to him as a routine matter?

Mr. EDIDIN. That is correct. Normally they would have gone to the controller, and might have been submitted by the controller to the operating division, whose budget was being drawn out to pay for the services rendered. It seems to me, as I recall it, quite unusual to have Mr. Perman's initials on these invoices.

The next bill is a bill from Barton Dennis Eaton, 11 East 44th Street in New York. It is dated May 22, 1972. It is in the gross amount of $950, and the invoice or check number is 120153.

Mr. SCHULTZ. Let me go back to the Weiss, Brownston, Rosenthal, Heller and Schwartzman bill which Matthew Lifflander sent you. Was Mr. Lifflander with that firm?

Mr. EDIDIN. Mr. Lifflander is shown on the letterhead as counsel.

Mr. SCHULTZ. And what was the amount of the check for the Muskie campaign contribution?

Mr. EDIDIN. From Mr. Lifflander?

Mr. SCHULTZ. From Mr. Lifflander.

Mr. EDIDIN. I believe $1,000.

Mr. SCHULTZ. How much was the check from Mr. Eaton? The gross amount was $950, I believe you said?

Mr. EDIDIN. $950, I don't recall the exact amount. Under normal circumstances, it would range anywhere from $500 to $750.

Mr. SCHULTZ. I'm not sure I understand. What do you mean, by under normal circumstances?

Mr. EDIDIN. Well, in the normal case, 25–35 percent of the amounts paid were really paid to the attorney to cover his income tax liability for the $950.

Mr. SCHULTZ. I see.

Mr. EDIDIN. So that I would not expect to receive back the gross amount of the check.

Mr. SCHULTZ. I understand that.

Mr. EDIDIN. As a Muskie contribution.

Mr. SCHULTZ. Rule-of-thumb. And was this agreed upon at the time of your conversation with the attorneys, the 25 to 30 percent?

Mr. EDIDIN. I think in every case I probably discussed with them what amount would be retained, what amount I would get for what amount they would bill.

Mr. SCHULTZ. That was 25 to 30 percent, or 25 to 35 percent?

Mr. EDIDIN. Twenty-five to thirty. I am just using rough figures.

Mr. SCHULTZ. Do you have another?

Mr. EDIDIN. Now, the last bill I have is again from Mr. Eaton, same address. It is in the amount of $500, and I am puzzled by it because it is dated May 10, 1972, which would really make it somewhat out of line for the period that I am—that I have in mind.

Mr. SANDERS. What is the date of the check? Is that much later?

Mr. EDIDIN. The date of the check is May 10, 1972. I don't know, the reference is to a May 10, 1972.

Mr. BRADY. That's a reference to the invoice?

Mr. EDIDIN. Yes; that's a reference to the invoice as a check.

Mr. SCHULTZ. Does that bill also contain Mr. Perman's initials?

Mr. EDIDIN. It does contain Mr. Perman's initials.

Mr. SCHULTZ. Would Mr. Eaton have been one of the first attorneys that you called?

Mr. EDIDIN. I don't know what his position in the line was but he would have been one of those that I called. He again is a former employee of Hertz, and someone that I knew well, and I could rely on.

Mr. SCHULTZ. I think I will mark those, if I can, and introduce them in the record. All right. Are there any other ones in the 1972 group of bills to the corporate division that you would like to comment about or have some feeling might fit into the category?

Mr. EDIDIN. I don't think so. They are either out of the time sequence, or they are with attorneys who I—or groups that I know I didn't contact.

Mr. SANDERS. Well, let me ask a few questions while we are waiting for some more invoices here. Do you recall your conversation with Mr. Lifflander concerning his participation in this program?

Mr. EDIDIN. No, I don' recall it in any detail. I do recall that it was through him that I ascertained—I asked him to ascertain whether if I collected funds in a sufficient amount I would be sure of getting a check back from what remained of the Muskie organization to pay the—to pay for the car rentals. And I did ask him to participate in the—to be a participant in making funds available to the Muskie organization.

Mr. SANDERS. So that your conversation with him made it, in your judgment, evident to him that corporate funds were going to be used to find their way into the Muskie campaign in order to provide reimbursement for the rental cars?

Mr. EDIDIN. Yes; I think that is correct.

Mr. SANDERS. Did you have a conversation with Mr. Murray?

Mr. EDIDIN. Yes, I did.

Mr. SANDERS. And was it made known to him that you were seeking funds for the benefit of the Muskie campaign?

Mr. EDIDIN. Yes; I asked him to make me a check made payable to the Muskie campaign.

Mr. SANDERS. And did you have a conversation with Mr. Mewhinney?

Mr. EDIDIN. I'm not sure whether I talked to Mr. Mewhinney directly. I think I talked to Mr. Murray, and he then talked with Mr. Mewhinney about this.

Mr. SANDERS. Did you have a similar conversation with Mr. Malkin?

Mr. EDIDIN. No; I don't believe I ever talked—had a discussion with Mr. Malkin about this. I believe I talked to Mr. Ticktin about this.

Mr. SCHULTZ. In the same group that you just looked at, there are some additional bills from Mr. Ticktin and also from Mr. Eaton. How can you be sure that they don't fit into this same request?

Mr. EDIDIN. Well, first of all, the timing on them is incorrect. My recollection is that this occurred within a comparatively short compact period of time, late in May, and all these gentlemen were doing—and all of these law firms were doing work for Hertz, and would have submitted in the normal course bills for their services.

The detail on some of these bills simply suggests to me that they were for the services rendered, and the timing on them is such that they could not have been—I don't believe they could have been used in connection with this matter.

Mr. SCHULTZ. Let's go off the record.

[Discussion off the record.]

Mr. SCHULTZ. I hand you the bills from New York State for 1972 that were billed through the car-leasing division. You have been through the car-leasing division for 1972, and you find no bills that you recognize there that were involved in the plan to raise money to pay off the Muskie car rentals?

Mr. EDIDIN. None at all, Mr. Schultz.

Mr. SCHULTZ. I hand you invoices for 1972 legal fees for the rent-a-car division for the State of New York. Did you find anything in the rent-a-car division?

Mr. EDIDIN. No, Mr. Schultz, I do not.

Mr. SCHULTZ. Mr. Edidin, I have here an invoice from Richard Ticktin dated May 23, 1972, for $4,500. I think probably this was the first batch that you looked at. The time is very relevant. I presume that you have resolved in your mind that this is not part of the arrangement that you had made?

Mr. EDIDIN. The reason I suggest it isn't is because it is a rebill from a bill submitted in April, and they just changed the way of billing around on the thing, so it just doesn't—a bill submitted in April just wouldn't fit the timeframe of what I am thinking about.

Mr. SCHULTZ. The next section of bills are from the truck division, legal fees from New York State for 1972. Your review of the truck division is negative?

Mr. EDIDIN. It is negative, Mr. Schultz.

Mr. SCHULTZ. I have the 1971 records here, but in view of your testimony that this transpired all within a week, or thereabouts in May of 1972, I see no reason to review the 1971 records.

Mr. EDIDIN. I would agree with you.

* * * * * * *

Mr. EDIDIN. It is possible, Mr. Schultz, that in view of the time sequence I just did use people that I could get ahold of immediately, and that I may have used merely this group of New York attorneys that I have referred to.

Mr. SCHULTZ. Well, we have come up with five attorneys which you are reasonably certain you contacted, and those that did participate. The net amounts, again to the best of your recollection, would not anywhere approach the $8,000 to $9,000 that you felt was the outstanding bill that Hertz was holding for the Muskie committee.

Do you have any thoughts as to who the other attorneys might be or to what the other amounts might be and where they came from?

Mr. EDIDIN. It suggests to me, Mr. Schultz, that my recollection of the Muskie bills may be too high. I wonder if we can locate that check and see what the amount is that I am thinking about because I really think it was a very small group of attorneys, I thought five, six perhaps, and unless there are some invoices missing, I really can't conceive of who else it might have been, what additional attorneys might have been involved other than the ones I mentioned to you.

Mr. SCHULTZ. Could you have received more than one bill from the same attorney? For instance, you mentioned a possibility that——

Mr. EDIDIN. Right.

Mr. SCHULTZ. One of those might have been involved.

Mr. EDIDIN. That could have been, but I—if that were the case I would think that the, you know, the records would be there. They would be in the invoices of Hertz. They would have all come in that timeframe. They very likely would have all been handled in the same manner.

Mr. SANDERS. Do you know Mrs. Eaton's first name?

Mr. EDIDIN. Mrs. Eaton?

Mr. SANDERS. Yes.

Mr. EDIDIN. Yes.

Mr. SCHULTZ. Do you know whether or not you got a check from Mrs. Eaton?

Mr. EDIDIN. I don't think I did. These were all done through lawyers. I am pretty certain of that. They went down on bills for legal services.

Mr. SANDERS. Mr. Edidin, the GAO records show that Matthew Lifflander contributed two $1,000 checks to two different Muskie committees, and apparently one was—now I don't know whether this was the date it was delivered or the date it was reported. One was April 20, 1972, and a second was June 7, 1972. April 20, then you would say, would be too early for it?

Mr. EDIDIN. I would think it was wholly out of line; yes.

Mr. SANDERS. There is also an entry of $500 to Muskie committee by Ann Eaton, dated May 18.

Mr. EDIDIN. Ann Eaton?

Mr. SANDERS. Ann Eaton. There is no entry for Bart Eaton.

Mr. SCHULTZ. Could Bart Eaton have sent you a check for $500 and his wife sent you a check for $500 and enclosed both in the same envelope?

Mr. EDIDIN. I don't think so. I think I got one check. Maybe it was from Ann Eaton. I don't know.

Mr. SANDERS. There is an entry for Richard Ticktin, $1,000 to Muskie, May 30.

[Discussion off the record.]

Mr. SANDERS. Mewhinney, $300 on May 20.

Mr. EDIDIN. Yes.

Mr. SANDERS. Murray's first name again?

Mr. EDIDIN. John.

Mr. SANDERS. John Murray, $300, May 19. Does that cover all you have isolated for us?

Mr. EDIDIN. Yes.

Mr. SCHULTZ. What about Malkin?

Mr. EDIDIN. Would you check and see if there is a separate entry for Malkin, Edgar, M-a-l-k-i-n?

Mr. SANDERS. M-a-l-k-i-n. There are only two listed, an R. and a Samuel.

Mr. EDIDIN. This would be Edgar, I would guess.

Mr. SANDERS. OK.

Mr. SCHULTZ. I think we have exhausted our 1972 records.

Mr. SANDERS. I've got a few more questions.

Mr. SCHULTZ. All right, I have just one. You are absolutely certain that your solicitation of legal firms did not come earlier, or in 1971.

Mr. EDIDIN. No.

Mr. SCHULTZ. It will save us going through a lot of records.

Mr. SANDERS. Do you presently have any documents in your possession which would evidence any aspects whatsoever of this arrangement that we have discussed?

Mr. EDIDIN. No, I do not, Mr. Sanders.

Mr. SANDERS. Can you describe to us any documents whatsoever which might be found in the files of the Hertz Corp., pertaining to any aspects of this matter other than what we have already discussed tonight?

Mr. EDIDIN. The rental agreements for the specific rentals made, a photostatic copy of the check paid by the committee, the Muskie committee, and the billings from the lawyers which were the basis by which funds were accumulated are the things I can think of. I don't believe there were writings about this.

Mr. SANDERS. You do not have any recollection of any internal memorandums?

Mr. EDIDIN. No, I don't.

Mr. SCHULTZ. How about Ellen Brown's recordkeeping system? Can you describe that a little more?

Mr. EDIDIN. She accumulated the bills and had a sheet of paper on which she penciled in the amounts and kept a total of the rentals. It was a temporary thing, and I am not certain but I am sure she probably discarded it.

Mr. SANDERS. Since leaving the firm, have you talked with her about this system?

Mr. EDIDIN. No, I have never talked to her about this. I have talked to her, but not about this.

Mr. SANDERS. Do you have knowledge of any other corporate funds, or services being provided for the Muskie campaign besides these rental cars we talked about tonight and the payment for these cars?

Mr. EDIDIN. No, sir, I do not.

Mr. SANDERS. Or to any other—or to the campaign of any other Presidential candidate in 1972?

Mr. EDIDIN. No, sir, I do not.

Mr. SANDERS. Do you have knowledge of any other system besides this law firm billing which was used by Hertz Corp. to generate a fund for payments to Presidential candidates?

Mr. EDIDIN. No, sir, I know of none.

Mr. SANDERS. Or for the benefit or on behalf of Presidential candidates?

Mr. EDIDIN. No, sir.

Mr. SANDERS. Such as bonuses to employees which it was understood they would then make available for political purposes?

Mr. EDIDIN. No, sir.

Mr. SCHULTZ. One more question. Do you have any knowledge of whether or not a similar type of plan—when I say plan I am talking about the arrangement of providing cars to the Muskie campaign. Are you familiar with or have knowledge whether this type of arrangement was set up with Avis?

Mr. EDIDIN. I have no such knowledge.

Mr. SCHULTZ. Do you know any of the corporate officers or vice president and general counsel with Avis Corp?

Mr. EDIDIN. Yes, I know a number of people over there.

Mr. SCHULTZ. Did you have any discussions during the 1971–72 years with regard to your arrangement to provide cars for selected Muskie campaign people?

Mr. EDIDIN. I don't think I ever discussed it, or the Presidential campaign with anybody.

Mr. SCHULTZ. Have you received any bill from the Hertz Corp. in the last year with regard to the cars provided for the Muskie campaign?

Mr. EDIDIN. No; I have not.

Mr. SCHULTZ. Have you received any bill for the amount of money which would have equated to the payment to cover taxes, income tax, which these attorneys submitted in their bill?

Mr. EDIDIN. No; I have not.

* * * * * * *

Mr. SCHULTZ. Have you been contacted by any of the attorneys who did cooperate with you in raising funds to pay the Muskie car rental bills since their time of cooperation?

Mr. EDIDIN. I have talked to a number of them on a number of occasions. They are friends of mine and I don't recall we have ever talked about this specific problem. We have talked about some other problems.

Mr. SCHULTZ. Would you say that you have talked to all of them since May of 1972?

Mr. EDIDIN. Yes; I haven't talked to Mr. Malkin but I have talked to every other one, I guess.

Mr. SCHULTZ. When you say every other one, you mean all of these that you have listed, the five that you have listed?

Mr. EDIDIN. Yes; I have talked to Mr. Ticktin, Mr. Murray, Mr. Mewhinney, and to Bart Eaton on occasion since having left Hertz.

Mr. SCHULTZ. Have you called any of these individuals to determine whether or not they have suffered some problem because of cooperating with you in the raising of money for the Muskie campaign cars?

Mr. EDIDIN. Well, it didn't come up in connection with the Muskie matter specifically. It came up in connection with the New York investigation.

Mr. SCHULTZ. Well, I guess I can't let that pass. What is the New York investigation?

[Discussion off the record.]

Mr. SCHULTZ. I have no further questions.

[Whereupon, at 8:05 p.m., the committee was adjourned.]

EDIDIN EXHIBIT NO. 1

Sol M. Edidin

I was employed by The Hertz Corporation as an attorney from 1956 until 1972. At the time of my resignation from Hertz, effective at the end of May, 1972, and for some time before that I was Vice President, General Counsel and Secretary.

I would like to describe my contacts with the 1972 presidential campaign. To the best of my recollection, I made no contribution to any candidate. My wife made one contribution of $25. No doubt I received general mailings asking for contributions. I was not personally solicited for any contribution either by a representative of any party, candidate or committee for a candidate or by Hertz or by any employee of Hertz. I am not familiar with any other employee of Hertz having been solicited for contributions in connection with their employment by Hertz.

As to Hertz itself, I know of no instance where corporate funds, goods or services were solicited for or contributed to or used in connection with the 1972 presidential campaign other than the one matter in which corporate funds were indirectly contributed to the Muskie campaign and used by it to pay for car rentals, as I shall now fully describe.

At some time either during late 1971 or early 1972, I was contacted on the office intercom by the then Chief Executive of Hertz, Robert A. Smalley, who said that he was speaking with Mr. Donald A. Petrie, a former executive of Hertz, whom I had known for a long time. Indeed, Mr. Petrie

originally hired me at Hertz in 1956. Mr. Smalley asked me to make arrangements with Mr. Petrie for the provision of cars for use by personnel of the Muskie presidential campaign committee. While Mr. Smalley indicated that he wanted to help out Mr. Petrie, he also made clear that I should take care to assure that the cost to Hertz would be controlled. I agreed to follow Mr. Smalley's instructions.

While I am not personally familiar with the circumstances of the conversation between Mr. Smalley and Mr. Petrie, I have no reason to think there was any promise of benefit to Hertz if the cars were provided or indication of possible adverse impact if they were not provided.

Promptly thereafter, I received a telephone call from Mr. Petrie. It was clear to me that Mr. Petrie understood, as Mr. Smalley had told me, that the provision of cars should be limited. Accordingly, Mr. Petrie and I agreed that arrangements for provision of any cars should be handled through my office. Mr. Petrie requested that cars be provided from time to time for a limited number of advance men, to my recollection no more than 5, and perhaps fewer, and not beyond the convention. Mr. Petrie identified the advance men for me either during this conversation or subsequently. In addition to the names provided by Mr. Petrie, Jerome J. Shestack gave me or someone in my office the names of one or two additional

Muskie campaign workers for whom cars were provided. While I do not recall specifically the circumstances of Mr. Shestack's request, I believe that either he associated it with the prior arrangements with Mr. Petrie or I assumed that it was so connected.

In accordance with these procedures, upon request to my office, cars were provided from time to time for the specified individuals working in the Muskie campaign. The bills for these rentals were directed to my attention by the Hertz field offices providing the cars. To the best of my recollection all of these bills aggregated about $8,000 or $9,000. I accumulated the bills anticipating that eventually they would be written off by Hertz.

Shortly before leaving Hertz in May 1972 and in anticipation of my departure, I attempted to have the accumulated bills in my possession written off. By this time Mr. Smalley was no longer with Hertz. I went to the Controller of Hertz and asked that the bills be written off. While I do not recall specifically my conversation with the Controller, I believe that I indicated generally to him that the bills were of a political nature. The Controller said that to write them off might cause the auditors of Hertz' parent corporation, RCA, to question him about them. Accordingly, he refused to write the bills off without specific direction of the chief executive of Hertz.

Ronald Perman was then Chief Executive. I went to Mr. Perman and told him about the rentals that had been made on the basis of Mr. Smalley's instructions to me. I told him the amount of the accumulated bills and that the Controller would not write them off without Mr. Perman's authorization.

Mr. Perman, an accountant himself, recognized the Controller's reluctance to write off the bills, but he also considered them to be an obligation of Hertz. Since the bills could not be written off, it was necessary for Hertz to take care of their payment in some way. Mr. Perman authorized me to have Hertz provide funds to outside lawyers to enable them to make contributions to the Muskie campaign committee in the total amount of the outstanding bills.

I spoke with Matthew Lifflander, a former employee of Hertz, then an attorney in private practice, who was active in the Muskie campaign, and asked him to arrange that the campaign committee would utilize any contributions he provided to pay the outstanding bills.

I then contacted a number of individual attorneys who at my request billed Hertz in amounts sufficient to enable the attorneys to make contributions to the Muskie campaign committee. I collected such contributions and gave them to Mr. Lifflander. Shortly thereafter, Hertz received a check from the campaign committee in full payment of the outstanding bills.

MONDAY, NOVEMBER 19, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 4:05 p.m., in room 342, Russell Senate Office Building.

Present: Senator Weicker.

Also present: David Dorsen, assistant chief counsel; William Mayton, assistant majority counsel; Richard O'Hanlon, investigator; Donald Sanders, deputy minority counsel; Richard Schultz, assistant minority counsel.

Senator WEICKER. Mr. Lifflander, would you raise your right hand, and do you solemnly swear the evidence you are about to give the committee will be the truth, the whole truth, nothing but the truth, so help you God?

Mr. LIFFLANDER. I do.

Senator WEICKER. Thank you very much.

[Whereupon, at 4:06 p.m. the committee recessed, to reconvene at 4:10 p.m. in room G–334, Dirksen Senate Office Building.]

Mr. SCHULTZ. All right, we will go on the record.

Mr. Ohrenstein, would you identify yourself for the record, and then proceed at your own pace with the opening statement that you wanted to make?

Mr. OHRENSTEIN. Manfred Ohrenstein. I'm an attorney admitted in the State of New York. My office address is 1345 Avenue of the Americas, New York, N.Y., 10019. Do you want the phone number?

Mr. SCHULTZ. That would be fine.

Mr. OHRENSTEIN. Telephone 212–765–2700.

Mr. SCHULTZ. I believe you wanted to make an opening statement. You may proceed at this time.

Mr. OHRENSTEIN. For the record, I simply wanted to state the substance of a discussion that I had with the three gentlemen who represent the committee and who are present here, which discussion indicated my concern with regard to the fact that I discovered subsequent to the service of this subpena on my client, that a witness who had been in contact, and apparently has testified before the committee, had been granted immunity with regard to the matters which are under investigation.

The reason I expressed concern is because under normal circumstances I would have felt that before the committee was going to grant immunity to anybody, they would have talked to all of the witnesses concerned with this phase of the investigation. And only after they discovered that they were unable to get information from anybody would such a grant have been made.

It is my position that my client has never sought, nor does he seek now, immunity in this matter, and had we known of the committee's interest in this phase of its investigation, we are now and would have

always been willing to testify without any grant of immunity. Indeed, this matter has been under investigation by the Internal Revenue Service, and to my knowledge, by the U.S. Attorney of the Southern District of New York, and we have in all respects cooperated with that investigation, did not request immunity, and testified without any grant of immunity.

Having discovered that a Mr. Sol Edidin, who is a witness in this matter, has been granted immunity prior to our appearance, and since we have not been apprised, except in a general way, of his testimony, it is my believe, in terms of what I know about this investigation and other matters which I believe are under investigation by the Internal Revenue Service and the U.S. Attorney for the Southern District of New York, that Mr. Edidin had a great deal to gain by receiving a grant of immunity. And since we do not know the specific nature of his testimony, that we are in no position, really, here, to understand what if anything Mr. Edidin has said about us; and as I said, I believe that to some extent his testimony with regard to matters at controversy might be prejudiced by his desire to save himself from prosecution, not only with regard to this matter, but with regard to other matters which the Government is presently investigating.

I have raised no legal objection to my client's appearance, and I will not raise an objection at this time. I have not requested grant of immunity, and we will not request such immunity. What we are raising is a question as to the fairness of being called to testify on matters where testimony has been given to this committee under a grant of immunity by another witness who has a great deal at stake by having received such a grant.

And the request that I made to the gentlemen present is that we be fully apprised of the testimony that has been given, at least insofar as it concerned Mr. Lifflander's participation in any of these matters.

Mr. SCHULTZ. That concludes your statement?

Mr. OHRENSTEIN. That concludes my statement.

Mr. SCHULTZ. Let me introduce Bill Mayton, who is assistant majority counsel.

For clarification of the record, I would point out, Mr. Ohrenstein, that I did outline the general inquiry which the committee is conducting in connection with the finance aspect of the Presidential campaign of 1972. I don't believe that I told you what Mr. Edidin had testified about, nor did I indicate Mr. Edidin had testified. As a matter of fact, he has. I will tell you that on the record. But the nature of his testimony falls within the executive session, as does Mr. Lifflander's today, and so I point that out.

I believe on the record you had stated that you had been furnished some general information from Mr. Edidin's testimony, and I would like to correct that portion.

If there is nothing further in the way of preliminary matter, we will proceed.

Mr. OHRENSTEIN. All right.

Mr. SCHULTZ. Mr. Lifflander, would you furnish your full name for the record, please?

TESTIMONY OF MATTHEW L. LIFFLANDER; ACCOMPANIED BY MANFRED OHRENSTEIN, COUNSEL

Mr. LIFFLANDER. My name is Matthew Lifflander, L-i-f-f-l-a-n-d-e-r.

Mr. SCHULTZ. And what is your present address?

Mr. LIFFLANDER. My residence address is 231 Broadway, Hastings-on-Hudson, N.Y., 10706. My office address is 295 Madison Avenue, New York, 10017. Would you like my telephone numbers?

Mr. SCHULTZ. I don't think we need that on the record, since we have counsel's phone number.

And what is your occupation?

Mr. LIFFLANDER. I'm an attorney at law.

Mr. SCHULTZ. Are you in with a particular firm, or are you a private practitioner?

Mr. LIFFLANDER. I am of counsel to the firm of Weiss, Rosenthal, Heller & Schwartzman.

Mr. SCHULTZ. And how long have you been of counsel with this firm?

Mr. LIFFLANDER. I have been with that firm since August of 1971.

Mr. SCHULTZ. And where were you prior to that?

Mr. LIFFLANDER. Prior to that I was engaged in a business venture, and I was president of the Uniworld organization at 110 East 59th Street in New York City.

Mr. SCHULTZ. How long were you with Uniworld organization?

Mr. LIFFLANDER. From September 1, 1969, until April of 1971.

Mr. SCHULTZ. In connection with the Presidential campaign of 1972, did you work with the Muskie campaign?

Mr. LIFFLANDER. Yes, I did.

Mr. SCHULTZ. In what capacity?

Mr. LIFFLANDER. My functional capacity was finance coordinator for New York, New Jersey, and Connecticut. My title was treasurer of the various campaign committees in New York State. I was also considered to be, by virtue of those offices, a member and I believe vice chairman of the National Finance Committee of the Muskie for President organization.

Mr. SCHULTZ. When did you join the Muskie committee? I don't need a specific date, but the month and the year would suffice.

Mr. LIFFLANDER. Well, at the beginning of its formation, which I suppose was in early—I'm sorry, I want to be precise with you. I was involved with the effort when it began in early 1970. I think the actual Muskie election committee, as the parent organization was called, probably didn't begin until January of 1971. I may be off a few months on that.

Mr. SCHULTZ. Did you spend full time with the Muskie committee from January of 1971 on?

Mr. LIFFLANDER. No, I spent full time working in the Muskie campaign from April of 1971, almost full time from April of 1971 until after the Democratic National Convention in 1972. I would say I spent 90 to 95 percent of my time on the committee's activities as an unpaid volunteer, and the other portion of my time engaged in various law practice and business consulting projects.

Mr. SCHULTZ. Did you have an office with the Muskie campaign?

Mr. LIFFLANDER. You mean a physical office?

Mr. SCHULTZ. Yes, a physical office that you worked out of.

Mr. LIFFLANDER. Well actually, I conducted the work from my own office, although the Muskie Finance Committee did have an office. The Muskie Finance Committee did have a suite of offices for a short period of time. And then there was a short period of time when I worked out of the campaign headquarters in New York, which was at 505 Park Avenue. I was probably there from April of 1971 to August of 1971. And then, sometime toward the end of 1971 until sometime prior to the Democratic National Convention, probably shortly after the California primary, we did have this suite of offices at 295 Madison Avenue on another floor.

Mr. SCHULTZ. The offices at 295 Madison Avenue would have been the finance office, then?

Mr. LIFFLANDER. Yes, it was the office of the finance operation in New York.

Mr. SCHULTZ. Could you outline briefly your duties as State coordinator, and I believe National Finance Committee member?

Mr. LIFFLANDER. Well, the duties as National Finance Committee member were not very extensive. It meant going to a meeting now and then to be briefed on what was going on in the campaign, and I think it was more of an honorary title given to those who were doing some of the work in the field, and to some of the major contributors.

Mr. SCHULTZ. Perhaps we could get to your more substantive title, then.

Mr. LIFFLANDER. Yes, the duties of finance coordinator were very extensive, and in that capacity I had the responsibility for, the major responsibility for, all fundraising activities in those three States, primarily in New York, primarily the New York metropolitan area. It meant that I acted as the convener, if not chairman, of the New York finance committee, which was an extensive, broad-based committee that we had established in New York.

I initiated fundraising projects and fundraising events, put on a major dinner in early 1972, created various organizations, such as Business People for Muskie, the finance committee, which I already mentioned, designed to get people involved in the fundraising operation.

Mr. SCHULTZ. Did you solicit contributions yourself?

Mr. LIFFLANDER. Yes, I solicited contributions. I acted as treasurer of the committees. I supervised a staff, a paid staff and a volunteer staff, kept the records. Does that give you an adequate picture?

Mr. SCHULTZ. Yes. When you say kept the records, you kept the records with regard to the contributions to the Muskie campaign and made the necessary reports that were required?

Mr. LIFFLANDER. Yes, as to the records of the New York committees, I must distinguish that from the records of the national committees, or even the committees in States other than New York.

I should point this out to you, also—it is bound to come up with this kind of questioning—some contributions from New York went to New York committees, and others went directly to Washington.

Mr. SCHULTZ. I understand. You mentioned earlier there were three States involved.

What were those?

Mr. LIFFLANDER. In my area of responsibility?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. New York, New Jersey, and Connecticut.

Mr. SCHULTZ. Now, did I understand that you—well, never mind what I understand. When did you leave the Muskie campaign?

Mr. LIFFLANDER. Well, as I recall, the convention was in July 1972, and after the convention there was no further need for extensive activities, although on days like today I feel like I never left it.

Mr. SCHULTZ. Then you did stay with Muskie to the end?

Mr. LIFFLANDER. Right to the end.

Mr. SCHULTZ. We'll go off the record for a minute.

[Discussion off the record.]

Mr. SCHULTZ. What were your duties and responsibilities subsequent to Senator Muskie withdrawing from the Presidential campaign?

Mr. LIFFLANDER. You have to clarify that. If you mean after California, when the Senator announced that he was not going to actively campaign, but that he was still a candidate—is that what you mean? Some people thought he withdrew. He did not withdraw.

Mr. SCHULTZ. Well, that's an error on my part, because I thought he did withdraw.

Mr. LIFFLANDER. No; he did not withdraw, and I think that is important to understand.

Some time—I believe it was just after the California primary, and it was before the New York primary—the Senator announced that he would no longer actively campaign, but he made it clear that he was still a candidate. And my duties at that time continued to be very much the same as they had been before. Obviously, there wasn't as much work for me to do, but at the same time we could no longer afford the paid staff, so that whatever there was fell even more on my shoulders.

We did raise, or attempt to raise, money for the expenses of the national convention, and succeeded to some small extent.

Mr. SCHULTZ. Well, if I understand then, it is a fair statement to say that Senator Muskie had a viable campaign committee up to and through the Democratic Convention in July 1972?

Mr. LIFFLANDER. I would not have chosen the word viable, but he had a campaign committee.

Mr. SCHULTZ. All right, do you have knowledge of an arrangement whereby certain selected Muskie campaign people were either confirmed—not confirmed, were given approval for the rental of Hertz cars, or arrangements were made to make reservations for rental of cars for them?

Mr. LIFFLANDER. I have no knowledge of that other than what I have accumulated or heard in the course of the investigation now being conducted by the IRS office in New York. And even that, in terms of what I know, is very vague.

Mr. SCHULTZ. As opposed to having knowledge concerning the arrangement of Hertz cars being made available to selected Muskie people, were you aware of an arrangement that had been made for this purpose?

Mr. LIFFLANDER. Was I aware at what time?

Mr. SCHULTZ. In 1971, late 1971, early 1972.

Mr. LIFFLANDER. No, sir. I only became aware of it recently. To the extent that it may or may not have existed, I have become aware that it is alleged that such an arrangement existed only since the IRS came to visit me a few months ago.

Mr. SCHULTZ. All right.

Mr. LIFFLANDER. That was the first I heard of it.

Mr. SCHULTZ. Do you know Mr. Sol M. Edidin?

Mr. LIFFLANDER. Yes, I do.

Mr. SCHULTZ. Did you know Mr. Edidin during the latter part of 1971 and 1972?

Mr. LIFFLANDER. Yes, I've known Mr. Edidin for many years.

Mr. SCHULTZ. What is your relationship with Mr. Edidin?

Mr. LIFFLANDER. Mr. Edidin hired me in 1960 when he was corporate counsel for the Hertz Corp. He hired me as associate corporate counsel, and I worked for him in that capacity.

Mr. SCHULTZ. And how long did you work in that capacity?

Mr. LIFFLANDER. I worked in that capacity from the spring of 1960 until the spring of 1963, when I was transferred to the international division of the Hertz Corp., known then as Hertz American Express International, as corporate counsel for Hertz American Express International. I worked in that capacity from the spring of 1963 until August 1969, eventually becoming vice president and corporate counsel of that subsidiary of the Hertz Corp.

During the years that I was employed at International, I continued to have a relationship with Mr. Edidin, who was then general counsel of the Hertz Corp. But I did not report to him. I reported to the president of Hertz International, or the general manager.

Mr. SCHULTZ. Who was the president and general manager in 1969?

Mr. LIFFLANDER. In 1969—in 1969, well, there's a series of people there during my tenure, but going backwards, in 1969 the general manager, who was the vice president of the company, not the president, was Mr. Bruce Fox. This is with respect to International.

Mr. SCHULTZ. Thank you.

Mr. LIFFLANDER. I believe the presidency was probably held by the president of the Hertz Corp., Mr. Robert Smalley, who had been president and general manager of Hertz International when I came there in 1963. And in between those two, a man named Fred Mudgett was vice president and general manager of Hertz International. That's M-u-d-g-e-t-t.

Mr. SCHULTZ. In your capacity as State finance coordinator of the Muskie campaign, did you during 1971 or 1972 have any conversation with Mr. Edidin with regard to outstanding bills relative to the rental of cars by the Muskie people?

Mr. LIFFLANDER. Yes. In May 1972, Mr. Edidin called me about a bill for Hertz cars that was owed by the Muskie campaign. This was the first time during my entire service with the Muskie campaign that I ever had anything to do with Hertz vis-a-vis the Muskie campaign or its expenses or anything else, except for a few isolated times when I may have rented a car, or when an advance man came to town and asked to borrow my credit card on one or two occasions to rent a Hertz car. And my secretary would have made a reservation, and that happened one or two times. Other than that I had nothing to do with Hertz, in the Muskie campaign, until this telephone call in May 1972. When Mr. Edidin called, I had not seen him since much earlier in the year, probably January or February, when we had had lunch together.

And I am sure I mentioned what I was doing at the time, and had lunch with him primarily to see if I could solicit some business, some law business, because I knew occasionally he hired ex-Hertz lawyers. And I had in mind that one of the things I had to do in this campaign was to build a law practice.

So he called me in May 1972 and said, Matt, I have a 4,000-some odd dollar bill for the Muskie campaign, and I have tried to get it paid. People down there won't return my calls. Could you get them to pay this bill?

And I said to him, Sol, I know that, you know, they have many more bills than they have funds, and I'm not surprised they don't return your call. But if you would call this person—and I gave him the name of Stanley Goldstein—use my name, and I'm sure at least he will give you attention. I have no idea whether they will pay the bill, and I don't really want to get involved with it.

I was up to my ears in work trying to keep ends together for our failing campaign.

And he said, "Fine, thanks very much, I'll do that."

I knew at the time that Stanley Goldstein was working on the unpaid bills, and he was a volunteer who had been assigned that responsibility, and he was coming to Washington on a parttime basis, basically to try to settle bills and deal with the people who the campaign owed money to.

Edidin called me back a few days later. Now, all of this happened in May of 1972, and I can't tell precisely what dates. But I do have some records here which I will refer to and try to put the dates together for you. But, if you will permit me, I'd like to go ahead and give you the story first, because I know that's what you're interested in.

Mr. SCHULTZ. All right.

Mr. LIFFLANDER. A few days later he called and said, Matt, I called several times. I can't get through and it's really important that I do because I am leaving Hertz on the first of June, and I want to get this thing squared away.

Now, my recollection was that it was in the second phone call that he told me he was leaving Hertz. It may have been the first. It all blends together. But I was surprised to hear that he was leaving Hertz. He had been there for many years.

And I said, all right, Sol. And I felt a little sorry about that, because I realized if he was leaving Hertz after all of those years, he probably wasn't leaving of his own volition.

So I said, I will call Stanley. And I had deliberately not wanted to get involved in that bill-paying business, because I knew that the campaign didn't have money to pay bills anyway. So I called Stanley Goldstein, and I said, look, would you do me a favor and call this Sol Edidin, and see if you can do anything to help him? Stanley said he would do that.

That was the extent of my involvement in the matter until I got another telephone call, again within a few days, from Sol and—to be very accurate, I have to say that I am a little confused in my own mind as to, at this point, what happened on the telephone and what happened in person, and whether this took place in a telephone call, one meeting, or two meetings. So if you will bear with me, I'm going to try to convey to you exactly what happened.

Sol indicated to me that he had agreed with somebody in Washington—and I'm not sure then whether it was Stanley Goldstein or somebody else, because there were other people in that office; it could have been Richard Kline, who had the primary responsibility and Goldstein was working for him—that he would raise an amount of money equal to the money that was owed to Hertz by the Muskie campaign, and that if he raised that money for the campaign as campaign contributions, they would then pay the bill. And that, and he indicated to me—and again, I'm not positive whether this was a phone call and then a meeting, or et cetera—but he indicated to me at some point that he had raised the money, and would I come over and pick it up.

As a matter of fact, I think he said something to the effect, I can come over to your office if you want, but if you come over here I'd like you to meet Joe Alderman who is taking my place, and you really ought to get to know him. And I took that to mean that Sol was at least, you know, at long last as he was leaving, thinking of perhaps introducing me to Alderman so I could get, might get some legal business in the future. And I had been working on a project for Hertz as a business consultant, and I was anxious to talk to Sol or Alderman if Sol was leaving, which I had just found out about doing certain other elements of that project, which would have required their approval. I will come back to that if I may. I want to keep in context on the thing that you are after.

Mr. SCHULTZ. All right.

Mr. LIFFLANDER. I went to his office and at that point he said to me, he said, Matt—I'm quite sure it was at his office at that point. He said, I'd had an arrangement with some people in the Muskie campaign that rent-a-car bills would be taken care of, and I an't recall whether he said some or all, and so forth. But he did say that he had had an arrangement, and he used the words "some people." He did not tell me who. I knew nothing about it until he made that comment, and I did not know exactly what he meant by "be taken care of" but I assumed it meant that somehow or other the campaign wouldn't wind up paying for it.

I did not ask him anything. Sol was always, in my experience with him, the kind of fellow, when he said some people he did not want you to know, and that's the way he operated, and frankly, I didn't want to know, I didn't care about it. I had deliberately never asked the Hertz campaign—the Hertz company for anything for the campaign, and I wanted my relationship with him to continue to be just on a businesslike basis. He said, but now that I'm leaving I can't work out the details of that arrangement, he said, so I have agreed to raise this money and I have done so, and he gave me checks. I don't remember today whether they were loose or in an envelope, but I remember putting them in my pocket. I did not look at the checks at the time. He said, I have raised this money from some of the boys, and I didn't even know who some of the boys were. This was all typical Sol Edidin's cryptic, pseudo-sophisticate attitude of some of the boys and some people is the way he talked, and here are the checks, and at that point, and he said now, will you take care of getting the bill paid, and I said I would, having understood from him that he had that arrangement with somebody that if he raised the money they would pay that

bill with the money. He said, but I am $1,000 short. He said, would you make a contribution, and I said, Sol, I have been working in this campaign for 2 years as a volunteer. I have made several contributions. I have given it a great deal of my time. I said, I can't afford to make another one now, I said, but I just made one in April. I will see to it that they apply that contribution toward the $1,000 and make sure that the Hertz bill gets paid.

I knew that they would do that if I asked them to because frankly they were so glad to get $3,000-some-odd of the $4,000 that they owed to wipe out that liability, that I realized I would have no trouble getting that done.

And so I took the checks, and that was really the end of the transaction. That is my total involvement in it except that I then—let me just finish the—I want to come back to the other thing that happened at that time.

I then called Dick Kline in Washington and said, I've got these checks. I've deposited them in the New York account, and I said, now you can pay that bill, and they did write a check from Washington and sent it to me which I sent to Sol's secretary, and I believe—I have the date. I have all my memos and transmittal notes, et cetera, which we will go into in a moment. I want to give you the whole picture first so you will understand the documents better.

And I sent the check to the Hertz Corp. on behalf of the Washington committee and asked that they, you know, use that to pay the bill in question. Actually, it wasn't one bill, it was a long series of rent-a-car transactions, all of which had been accumulated together.

I remember, it was in days afterward, they found another bill that hadn't been included on the list, and they sent it to me, and I just sent it to Washington. That was about the sum and substance of the transaction as I can best recall it.

As I say, it took place in May of 1972 at the same time, and I am telling you this now because I know from what the IRS agents who came to my house investigating this thing a few months ago told me, that Sol accused me of putting in a phoney bill to pay this—to help pay this expense, and I am sure that is one of your questions, and I would like to explain it.

I had contracted with Hertz in—I think it was August of 1971. In August of 1971 I began a negotiation with the president of Hertz Corp., and Fred Mudgett, who was then group vice president, and Gerald Shapiro was the president, to do a study for them of their entire—may I—well, this is not legal. This is a business consulting thing so I don't have a privilege problem. But to do a job as a business consultant to study their entire franchise program. I happen to be an expert in franchising. When I was at Hertz, in addition to being counsel, I ran the international franchise program as the top operating officer, and my Uniworld business was engaged in overseas franchising, and they thought highly of me in that respect, and we entered into a contract, a copy of which I will give you, for me to do a study of franchising within the Hertz organization.

This is the study, several hundred pages [indicating]. We finally signed the contract I believe in October or November. We will pull it out and look at the dates in a moment. The deal was I was to get $5,000, $1,500 when I started, which was paid to me in December

of 1971, and the balance of $3,500 which was paid to me in November of 1972 when the job was finished. Frankly, I didn't have very much time to spend on it until after the Muskie campaign began to die out.

During the course of that effort to do this job, it became apparent to me that one of the gaps in it—and it is a very total analysis—one of the gaps in that job was that I had not estimated nor provided for analyzing the changing legal situation in the franchise industry. There have been a rash of State franchise laws enacted in the last couple of years, some of which are quite restrictive, and here I was as I got into where I was going with my study, recommending that Hertz embark on several major new franchise programs, I realized as a lawyer that it was not appropriate to complete this job without getting them to focus on the legal issues involved as to whether this may have been great from a business point of view, but if the new State statutes, especially pending Federal legislation, were such that their program wouldn't have been wise legally, my report would not be complete. I did not want to go back to Shapiro, who had contracted this thing, because I knew that approval for what I wanted to do and I wanted to charge an additional fee for it, would have to come from Sol Edidin as general counsel, because when it came to a legal matter, that's how the company worked. Up to then it had not been a legal matter.

I should say at this point that I'm about to tell you—I had to hesitate before discussing it with the IRS because there are problems of lawyer-client privilege involved, and counsel and I have researched those problems. The Hertz Corp. has never been in touch with me at all in this entire matter, and never invoked the privilege, and it has been our judgment, and I am acting on the advice of counsel, that I could discuss this with the IRS agents who have conducted a similar interview recently, and I assume therefore that I can in this case.

Mr. OHRENSTEIN. Well, just for the record let me say that the question arose as in the beginning I said Mr. Lifflander is now testifying on the study he did, part of which included as a supplement a legal analysis of franchise laws in the United States, and the question arose as to whether there was a privilege between Hertz and him with regard to that study. I have advised him—and I am doing this for the record because we wish to disclose these matter to you and we have previously disclosed these matters to the IRS, and we did that on the basis, and Mr. Lifflander has done this on the basis of my legal advice to him that under the circumstances of this situation, I felt that he had a right to—that he fell under one of the exceptions of the attorney-client privilege rule, not that there are any great confidential matters in this study, and as I said, we are going to show it to you, he is going to show it to you on the basis of my advice.

However, given the fact that there is a client involved, I wanted to put it on the record so as to protect really Mr. Lifflander from any action, possible action by his former client, and incidentally, that goes somewhat to the reason I made the statement I did at the beginning here, and apprised you of my concern with respect to Edidin's testimony.

Under rule DR4–101 of the rules governing the conduct of attorneys and clients, which is the rule regarding preservation of confi-

dence and secrets of a client, there is an exception which is stated as follows:

> A lawyer may reveal confidences or secrets necessary to establish or collect his fee or to defend himself or his employees, or associates, against an accusation of wrongful conduct.

And this is the reason I have advised him that under this set of circumstances he would have a right to furnish whatever information he can to any investigatory agency. I simply state that for the record, not so much for the committee's use as for my client's protection.

Mr. SCHULTZ. All right. I wonder at that point if it might not be a good time to go back and pick up some of the questions that we might have in connection with your narrative on the Hertz matter and the billing, unless there is something that you specifically want to cover.

Mr. LIFFLANDER. Well, there is. I don't want to tell you how to conduct your investigation, but I think I can just get this out.

Mr. SCHULTZ. Well, if you have something more that you want to——

Mr. LIFFLANDER. I think it would make it easier for everybody.

Mr. SANDERS. Is it necessary for an understanding of the explanation that we know the substance of the study?

Mr. LIFFLANDER. Not really.

Mr. OHRENSTEIN. No; not really, but I think it is necessary for the explanation that you see the product, because I think it is important to establish that.

Mr. LIFFLANDER. Well, Fred, may I just establish—I think if you'll let me go on for another 2 minutes I'll get to the point I'm trying to make, and you can understand, and we can evaluate that together, OK?

Mr. SCHULTZ. All right.

Mr. LIFFLANDER. As I say—and I am basing this on the fact that an IRS special investigator told me that Sol Edidin accused me as well as other people of putting in phoney bills and then making contributions to the Muskie campaign, which I did not do. I didn't even make the contributions.

So secondly, what I did do, and which I think requires some explanation, is that at this time when I last saw Sol in connection with this whole matter, when I went to his office expecting to see his predecessor who I didn't know and who I realize if he was gone would be the guy that I would have to deal with, I explained to Sol, who knew about the project I was doing, where I had gotten to and the fact that I felt that it was important that I complete the project by doing this legal section to it, and he agreed with that. He understood. He knew I worked in franchising, and he suggested I could not do that within the fee I had agreed upon because the work had already become obviously, you know, when you estimate a management consulting job, you have to take a chance on how much work there is going to be, and I had gotten into the job and was enjoying it thoroughly and doing it very thoroughly, and realized it was going to take a lot of time and I wondered if I was going to do this, which was not within the scope of my written contract. I should be paid extra, and he agreed, and I said I wanted a fee of $1,500, and he agreed to pay that fee and to do it before he left so that I wouldn't have to deal with any new people because it also turned out that Alderman was not available the day I came over to meet him.

So, I did do that. I submitted the bill. He paid it very promptly, and when I completed the document in the fall of the year, the analysis, I included a section called legal considerations, which is what I want to show you, which is in essence a summary of the law and my recommendations with respect to it.

This is the entire study, if you would like to look at it. I can leave it with you. I can provide you copies of the legal section which goes to the question Mr. Sanders raised before. Whether or not you care to see it is up to you, but I am happy to do that.

Mr. SCHULTZ. Well, when did you submit your bill for the $1,500 to cover this added legal section?

Mr. LIFFLANDER. Yes; let me look at, if I may refer to the——

Mr. SCHULTZ. I assume that is prior to June 1 because that's when Edidin was supposed to be leaving.

Mr. LIFFLANDER. Yes; I think it was, because I got paid before then.

My bill, and any of these things that you gentlemen would like me to leave with you I have copies of much of it—I submitted my bill to Sol by letter of May 18, 1972, and the bill was paid on June 1. I should say the bill was paid, the check was sent to me on June 1 with a covering letter from Sol. The contract which one has to read in order to see that this work was not contemplated to be included there, was dated November 11, 1971, and signed November 24, 1971, and the payments——

Mr. SCHULTZ. November 11 of 1971, it was signed?

Mr. LIFFLANDER. That's when the contract for the overall study was entered into.

Mr. SCHULTZ. When was it signed?

Mr. LIFFLANDER. November 24. I wrote the letter November 11 and they signed it November 24.

The payments that were made to me were December 28, the $1,500 first payment, and the final payment, October 18, 1972. Just to go back, because I have got my——

Mr. SCHULTZ. And the interim payment was May 18, 1972?

Mr. LIFFLANDER. Yes; sorry. The bill was May 18. The payment was June 1.

Mr. SCHULTZ. June 1.

MR. LIFFLANDER. Now, I have some other documents which have to do with my testimony which might be helpful to you. I have a letter, May 23, 1972. I have a letter from me to Stanley Goldstein of the Muskie headquarters in Washington, enclosing the summary of the bills amounting to $4,103.29, so that was May 23. It gives you an idea of the dates those conversations would have occurred, and I have a letter from me to Ellen Brown who was Sol Edidin's secretary, dated June 1, sending in the Muskie committee's—sending her the Muskie committee's check to pay that bill. June 1, I sent Stanley Goldstein that extra bill which I told you was not included in the original list.

Mr. SCHULTZ. You say you have copies here of these for us?

Mr. LIFFLANDER. Yes; these are the originals. I have a big stack of copies that I made. When we are all through you can go through and look at what you want.

Mr. OHRENSTEIN. They might want to look at it now.

Mr. LIFFLANDER. Oh, sure, these are my originals. I would like to keep those, but I do have copies for you.

Mr. SCHULTZ. When did you say your discussion was with Mr. Edidin with regard to the additional $1,500?

Mr. LIFFLANDER. When?

Mr. SCHULTZ. Yes; when?

Mr. LIFFLANDER. It was the time I went to see him. You see, the thing I can't remember exactly—and I know that memo was undated, and it was something that I just gave my secretary when I got back and she filed it and never dated it and I never saw it until sometime afterwards when I had occasion to pull it out, but the point is that I raised this at the time I saw him, and I don't remember whether that transaction I described to you was in one or two meetings. I think it was all in one meeting, the day I went to get the checks.

Mr. SCHULTZ. So it could be that the day you picked up the checks was also the day you discussed the——

Mr. LIFFLANDER. Yes; it probably was.

Mr. SCHULTZ [continuing.] Need for additional money for the legal portion of the study.

Mr. LIFFLANDER. Yes; I signed the memo but I don't remember checking the date. I had no reason to. I wanted to have a record of it, frankly, in case after he left somebody else, I didn't get the check and somebody else raised it, because then I would have had to go through that process of dealing with new people at Hertz.

Mr. SCHULTZ. If I could just keep them, I may want to refer to them.

Mr. LIFFLANDER. Yes.

Mr. O'Hanlon has a duplicate of all of these things. I will just leave them here, and then if you want to refer to them.

Mr. SCHULTZ. All right. You said Mr. Edidin called you in May of 1972 with regard to the Muskie bill. Did you have a credit card of your own with Hertz or was it a Muskie credit card, a credit card issued for the Muskie committee?

Mr. LIFFLANDER. I've never had a Muskie credit card. I only had my own.

Mr. SCHULTZ. It's a personal credit card.

Mr. LIFFLANDER. I must say I hardly ever used it during the Muskie campaign. I didn't do that much traveling.

Mr. SCHULTZ. Do you know whether any of the workers in the Muskie campaign had credit cards issued to them?

Mr. LIFFLANDER. Any of the workers anywhere, or in New York or——

Mr. SCHULTZ. Yes; anywhere. Do you know if any of the Muskie people had credit cards issued, Hertz credit cards issued to them?

Mr. LIFFLANDER. I don't personally know that, no. I have no knowledge of that.

Mr. SCHULTZ. Were you aware that some of them did?

Mr. LIFFLANDER. I say only recently in the course of this investigation of the IRS did I become aware. Somebody told me in the course, the number of people I asked, that there were some Muskie campaign credit cards, and I don't remember whether these bills—you see, I don't have the bills that were attached. You know, the only way I could tell, if I saw a rental agreement and it had Muskie campaign committee address on the card, then I would know whether it was personal or not, but I can't tell from anything in my files.

Mr. SCHULTZ. All right, but you were not aware in 1971 or 1972 whether or not any of the Muskie people had credit cards.

Mr. LIFFLANDER. No, sir, I was not.

Mr. SCHULTZ. Were you aware of any problems that the Muskie campaign people had with regard to renting of cars?

Mr. LIFFLANDER. Only of the one or two occasions when an advance man came to New York and said he couldn't get a car because he didn't have a credit card, or whatever, and as a matter of fact, I brought with me, because of your subpena, some—whatever rent-a-car bills we found in our New York committee accounts, and I could probably pin down a couple of occasions when I let people use my card, but other than that, no.

I should say this to you, Mr. Schultz. During the years I was with Hertz I became familiar with Hertz credit cards and how they work, and I know that there were huge bills after the 1968 Presidential campaign for Bobby Kennedy's campaign. There were huge Hertz bills which people had run up around the country, and I remember they asked me what to do about them, and I said, I don't know, I didn't give them the credit. What happens is that an advance man or somebody traveling for Kennedy goes in and convinces a girl at the counter that he can have credit, even though he doesn't have credit, and then the bills get run up and then you can't find the guy. I know that kind of thing happens in campaigns, but I knew nothing at all about any relationship between Muskie campaign people and the Hertz Corp. during this campaign except for the one or two occasions when there were bills in New York.

Mr. SCHULTZ. In view of your experience in 1968, were you knowledgeable concerning any policy that the Hertz Co. had with regard to renting cars to political groups?

Mr. LIFFLANDER. My recollection of the 1968 experience that Hertz had—and I only became aware of it because the controller, knowing of my involvement in politics, would come to me for advice—was that the people in the field were not supposed to give credit to campaign people, to any campaign unless there was a validly issued credit card, which there may have been in some cases.

Now, how a campaign committee got credit in 1968 I don't know because that wasn't—remember, I was in the international company.

Mr. SCHULTZ. I'm talking about the policy for 1971–72.

Mr. LIFFLANDER. No; I have no knowledge of that policy. I would have no reason to. Remember, I was gone in 1969 and I was only in the international side of the business for my later years there.

Mr. SCHULTZ. So on a few occasions you let the advance man use your own personal card?

Mr. LIFFLANDER. Or I would call.

Mr. SCHULTZ. And then did you pay the bill?

Mr. LIFFLANDER. Yes; I would pay the bill out of the New York account for the Muskie campaign.

Mr. SCHULTZ. All right. I think you said that prior to Mr. Edidin's call to you in May of 1972, about the last time you had seen him was in January of 1972? On what occasion, or what was the occasion of this meeting?

Mr. LIFFLANDER. We had had lunch together, and I say I think it was January 1972, and I might be able to pin that down for you if that is of interest.

According to my diary, I saw Mr. Edidin on January 6, 1972. The occasion of that meeting was a lunch which was primarily social. I had in mind that—just to let him know that I was thinking about practicing law, and if I could get any business, or my firm could, from the Hertz Corp., I would be most appreciative. And also, I wanted to be sure that he knew about this project I was doing because he was the kind of fellow, if he heard it from somebody else before he heard it from me, he might be offended.

Mr. SCHULTZ. Did you keep a daily diary, a telephone log, or appointment log?

Mr. LIFFLANDER. I kept a very sloppy appointments diary, during that period of time. I was probably working at a faster pace than I have ever had occasion to work in many years.

Mr. SCHULTZ. Have you reviewed the entries in your diary to perhaps more definitely place your meetings and/or phone calls with Mr. Edidin about this time, early 1972?

Mr. LIFFLANDER. You mean the meetings in May of 1972?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. I have not. I can do that for you right now, if you like, but I was relying primarily on the documents.

Mr. SCHULTZ. Why don't we hold that in abeyance for a minute?

Mr. LIFFLANDER. OK. I say I don't recall doing that, I think I may have, but there's nothing in the diary about those meetings because they usually resulted from a phone call—you know, I wouldn't have had a phone call in there anyway—an appointment, the time I went to see him, I think it was like he called that morning and said can you come over this afternoon, kind of thing.

Mr. SCHULTZ. Did you maintain this diary yourself, or did you have a secretary do it?

Mr. LIFFLANDER. Yes; I do it primarily—occasionally my secretary enters advance appointments, but it was not that kind of an appointment.

Mr. SCHULTZ. We might review it a little later, but would you be willing to make the diary available to us if there's some pertinent entries?

Mr. LIFFLANDER. Yes; anything at all.

Mr. SCHULTZ. Now in your conversation on the phone with Mr. Edidin in 1972, he advised you that there was a $4,000-plus bill and you suggested he give Stanley Goldstein a call. Now who is Mr. Goldstein? You mentioned he's a volunteer worker?

Mr. LIFFLANDER. Mr. Goldstein is a businessman from Woonsocket, R.I., who is a contributor to the Muskie campaign and a very enthusastic Muskie supporter, and at that particular point in the campaign, he had volunteered to come to Washington on a regular basis to help in the administrations of the finance operation and he had at that point the assignment of juggling the bills.

Mr. SCHULTZ. All right, now, did Mr. Goldstein have access to the national campaign moneys or just the State—New York State?

Mr. LIFFLANDER. He had nothing to do with New York State, he was working for the national campaign committee in Washington under Dick Kline. Whether he had access to money, I really don't know.

Mr. SCHULTZ. And would Dick Kline have been the individual who approved the payment of whatever bills Mr. Goldstein worked out for payment?

Mr. LIFFLANDER. I would think so, but again, I wasn't there and I don't know how they worked it between them, but that would have been my understanding. Whether Stanley Goldstein had independent authority or whether he would just make recommendations to Dick who had the ultimate authority, and whether even Dick had the ultimate authority and didn't have to go back to somebody higher up in the campaign, I don't know.

I know that Dick and Stanley were working on the bills and they were the guys to call if anybody called with a problem of bills. I had only one other occasion to deal with that which was later on in the campaign when a printer in New York who we hadn't been able to afford to pay wanted to know who to deal with, and I put him on Dick.

Mr. SCHULTZ. Now a few days later, when Mr. Edidin called back and said that he had not been able to get in touch with Mr. Goldstein, did he, at that point, Mr. Edidin at that point, send you the bill—this $4,000-plus bill?

Mr. LIFFLANDER. Not at that point. At that point, I said I would have somebody call him and I called Goldstein, and Goldstein said to me at that point, yeah—I remember everybody has trouble pronouncing Edidin's name, and he had a particularly unusual spelling and pronunciation of it, so I corrected him and said would you call him, his name is Sol Edidin and talk to him about it, and so he said he would.

After that point, I got the bills in the mail—I think I got them in the mail, let me see now—yes, you see, according to my records, I sent a letter to Stanley Goldstein in May 23, 1972, "enclosing the bills that Sol Edidin of the Hertz Corp. sent to me. They are self-explanatory, I have not kept copies so you now have the entire set and I await your further instructions".

What this letter does is refresh my recollection to the extent that Sol sent the bills over to me after his conversation with Goldstein and I guess at that—you see I can't be sure in my memory now whether they had already worked out an understanding that Sol would raise the money, or he said let me see the bills because we can't find them—or whatever, but my letter of May 23, 1972, sent the actual bills and the summary of them, and I only kept a two-page summary, to Goldstein.

Mr. SCHULTZ. Well, in your conversation with Mr. Edidin, did he indicate he had sent the bills to anyone? He told you he had been trying to call them and get in touch and hadn't gotten a response?

Mr. LIFFLANDER. He did not indicate that to me in one way or the other, to the best I can recall, Mr. Schultz. I just remember him saying we have these bills and we can't seem to get them paid.

Mr. SCHULTZ. All right, then, was your third phone call, subsequent to your May 23 letter to Mr. Goldstein, where Sol called you and said that he had agreed with someone in Washington that if he raised the amount equal to the bill, that they would pay it?

Mr. LIFFLANDER. I think so, it's very hard for me to tell because you know, as you say that, I realize that if I had that conversation with Sol—I said I sent him the bill May 18? Is that right? My bill,

May 18—yes. You see, I sent Sol—I'm trying to place these times for you—I sent Sol my bill on May 18, which would indicate to me that I had had the conversation with him on or before May 18. I'm just trying to put these dates together, the letter to Goldstein is May 23. So that the sequence of conversations on that is just not clear in my mind. I can't tell you—you know I said in the beginning it all has blended together, I know there was at least one meeting with Edidin and I just can't place the exact date of which was the phone call, which was the meeting. Now let me just see, May 23 was the—gee, it could've been, there were two meetings. Anything in there?

Mr. OHRENSTEIN. I am looking.

Mr. LIFFLANDER. I don't think there is anything in the diary at all. Do you see my point?

Mr. SANDERS. Yes.

Mr. LIFFLANDER. I know what you're getting at, and I'd like to be able to pin down those dates precisely, but I can't from this material that I have, which is the only way I have of refreshing my recollection on dates. The events run together.

Mr. SCHULTZ. All right, in any event, you did go to Mr. Edidin's office to pick up the checks?

Mr. LIFFLANDER. Yes, I did, that I am sure of because I remember being surprised that he was in a different office than the one he used to occupy.

Mr. SCHULTZ. And is it also your recollection that the $1,500 fee, additional fee, in connection with your study, was agreed upon—or at least discussed—on that date?

Mr. LIFFLANDER. My best recollection is—you see I only went there once, but it could be that I went twice, and that is my problem. I just can't place it. It all happened within a period of 3 weeks and I am just not positive whether it was the same day I picked up the checks or another day. I think it was the same day.

Mr. SCHULTZ. Was anyone else present when he picked up these checks?

Mr. LIFFLANDER. No—well that's interesting. This is something that's interesting. I have, on May 19 in my diary, that Mr. Ohrenstein just showed me, a note "lunch with Sol". You see, we never really put these dates together. So that is another clue as to the time frame. [Pause.] That's the only date in May in my diary that has anything to do with Sol or with the Hertz Corp.

Mr. SCHULTZ. Well, I don't want to belabor the dates at this point, it's difficult to reconstruct——

Mr. LIFFLANDER. Well, I know if I could make them fit together for you, it would make the whole thing clear.

Mr. SCHULTZ. There seems to be some inconsistency in the dates.

Mr. LIFFLANDER. There is, I realize that, but all I can say to you, Mr. Schultz, is I can try my best to put together the pieces as I can best remember them, and I've been very careful to try to tell you as much as I can remember.

Mr. SCHULTZ. Would the date May 18, or, as your diary indicates, lunch with Sol on May 19, have been the meeting wherein Mr. Edidin told you that he had had an arrangement with some people with regard to the renting of cars which would be taken care of?

Mr. LIFFLANDER. Well, let me say this, I am relatively certain that when he told me that we were face to face. It wasn't on the telephone.

What I'm not certain of, is whether I—I'm also certain that when I picked the checks up from him I was in his office. What I'm not certain of is whether I was in his office on two occasions or one. I hope you can understand that.

Mr. SCHULTZ. All right.

Mr. LIFFLANDER. So I can't tell you which date it was, and I don't even remember having lunch with him that time, which is why I'm surprised that my diary says lunch with Sol, but we may have had lunch.

Mr. SCHULTZ. Now when he told you he was $1,000 short on the outstanding bills, and asked you to make up the difference, was this on the phone or was this in a meeting in his office?

Mr. LIFFLANDER. It was face to face in his office.

Mr. SCHULTZ. All right, subsequent to this conversation, did you in fact contribute $1,000 to the Muskie campaign?

Mr. LIFFLANDER. Subsequent, no. I did before. I contributed $1,000 to the Muskie campaign in April. I can give you the exact date on that. This is my check, dated April 18, 1972, for $1,000 which was made out to the Muskie election committee. Now that was a committee in Washington. That check was cleared through the American Security & Trust Bank in Washington, D.C., on April 21, 1972. It was marked "for deposit only, Muskie for President" the account number 13-86067402. I checked today and found out that that—this check which is the only $1,000 contribution I made that I can remember in that year, was listed under—on the GAO report of the Muskie for President Committee in Washington of June 10, 1972, as a contribution from me, dated April 20, 1972, which is no doubt the day in which they received it.

The only—one of the problems with this report is, it's never clear whether you should put down the date of the check, the date of receipt, the date of deposit, but that is the check in question; and I made no subsequent contribution to that one.

Mr. SCHULTZ. That's the only contribution you made in 1972?

Mr. LIFFLANDER. No; I made one—oh, I'm sorry, that's 1971—yes, that's the only one that I made in 1972, according to my best ability to check on it.

Mr. SCHULTZ. So the May 18, 1972, contribution and the entry for GAO report, showing June 10, 1972, is all one and the same contribution?

Mr. LIFFLANDER. No; you said that wrong. It's the June 10 report, which shows the entry for April 20, I am told.

Mr. OHRENSTEIN. You said May, Mr. Schultz, you said May 18.

Mr. SCHULTZ. I'm sorry.

Mr. OHRENSTEIN. Well that's very important.

Mr. LIFFLANDER. That's very important. My check is dated April 18 and apparently cleared April 21, and is apparently, I am told, on the Muskie for President committee report, which report was filed June 10. And on that report it says that I made the contribution on April 20.

If you want a copy of the check, either I can send it to you or you can Xerox it.

Mr. SCHULTZ. Well we can get a copy of it.

Mr. LIFFLANDER. I have a copy of the front, but not the back.

Mr. SCHULTZ. All right, Edidin has told you that he is $1,000 short on the $4,000-plus bill. How much money did he have? Did he tell you?

Mr. LIFFLANDER. How much money?

Mr. SCHULTZ. Exactly, you know, he was about $1,000 short, how much money did he have?

Mr. LIFFLANDER. At the time he gave me the checks, he said, I'm $1,000 short and asked me to make a contribution. He didn't tell me how much he had, and I didn't look at the check and say, oh, and I wasn't going to look at the check in front of him and say, yes, you're $1,129 short, I was very much a gentleman about it, I had it in my pocket, so it wasn't until I got back to my office and looked at the checks and started to prepare the thank you letters, and the notations and that sort of thing for our records, that I realized exactly what the amount was.

Mr. SCHULTZ. Do you have copies of the thank you letters that you wrote?

Mr. LIFFLANDER. Yes; I do.

Mr. SCHULTZ. Would you make those available to us, please?

Mr. LIFFLANDER. I'd be happy to.

Mr. SCHULTZ. Do the thank you letters itemize the amout that was contributed?

Mr. LIFFLANDER. There's a notation on the bottom, would you like me to read for the record how much they were and who they were from?

Mr. SCHULTZ. Yes; that would be fine.

Mr. LIFFLANDER. There was a contribution from Barton Eaton, E-a-t-o-n, $500; one from Anne Eaton, his wife, for $500; one from Richard Ticktin for $1,000; one from John L. Murray, M-u-r-r-a-y, $300; one from Larsh B. Mewhinney, M-e-w-h-i-n-n-e-y, for $300; and one from Leo J. Spivack, S-p-i-v-a-c-k for $500.

Mr. SCHULTZ. What were the dates of those thank you letters? Are they all the same?

Mr. LIFFLANDER. All of the thank you letters are dated June 1. I think, perhaps, what you might be more interested in is what were the dates of the contributions. They did not necessarily coincide because it would take some time for thank you letters to get out.

I have a record, if I can find it—and have this systemitized very well.

Mr. OHRENSTEIN. Your system isn't working very well.

Mr. LIFFLANDER. It's working very well, it's just in a different envelope. You must understand, gentlemen, I am very practiced at this, having gone before the U.S. attorney. [Pause.] My system is not working.

Mr. OHRENSTEIN. Well, in any case, if you can't find it right now, that's all right. We're prepared to give you the copies of—you know the reports, the Muskie New York campaign reports, listing all of those.

Mr. LIFFLANDER. That's right, that has it.

Mr. SCHULTZ. Let me ask this, were the contributions all made to the New York committee for Muskie?

Mr. LIFFLANDER. I can't remember who they were made to and actually would have no way of telling and they are not here.

Mr. OHRENSTEIN. Well, anyway, they're a matter of public record and we will have them supplied to you.

Mr. LIFFLANDER. I'll give you copies of them, okay? Let me explain that answer to you. When you fill out the GAO reports, which I assume you fellows are very familiar with by now, you put down the date of contribution and the name of the contributor, whoever they were made out to. You see, whatever committee name was used, I could put in any bank account. As indeed, my own check made out erroneously to Muskie election committee—and I found out today there was no such thing as a bank account committee—went into the Muskie for President.

So whoever they were made out to, I put them in the New York committee. And I'll tell you why I did that. I wanted to be sure the bill was paid because they had promised to pay it and I knew that. They said they would, but in case they didn't, at least I would be able to pay that bill in New York if I didn't get paid, so I put them all in New York, regardless of who they were made out to, and nobody in Washington questioned it, as a matter of fact, I thought somebody would say why didn't you send us some money, but they were perfectly happy, they always knew how much was in my bank accounts in New York. And so I put the checks in there and told them to pay the bill, which they did.

I do recall—and I'm just sorry I didn't bring that one page from the GAO report—they were all, they had different dates and I think the dates were mostly, they were in May, as I recall, but I don't remember the exact dates and I can provide you with that as I did to the IRS.

Mr. SCHULTZ. But you deposited these checks in your New York account?

Mr. LIFFLANDER. Right.

Mr. SCHULTZ. And then a check payable to Hertz was written from Washington?

Mr. LIFFLANDER. That's right.

Mr. SCHULTZ. On the New York account? Or on the National?

Mr. LIFFLANDER. No; Washington could not write a check on the New York account. Washington wrote its own check on its own account.

Mr. SCHULTZ. Do you know who signed that check?

Mr. LIFFLANDER. No; I don't

Mr. SCHULTZ. All right, then, did they send the check to you and, by "they" I mean the Washington-Muskie people?

Mr. LIFFLANDER. Yes; they sent it to me and I remember this is the transmittal paper, there was nothing on it, just that it was folded up in that because I had that attached in my file to my letter to Ellen Brown, dated June 1, which said "Dear Ellen: According to my conversation with Sol Edidin yesterday" so I must have talked to Sol on the day before June 1, to either say I was getting the checks or got them or whatever, "I have obtained the enclosed check in the amount of $4,103.29 to pay outstanding Hertz invoice which Sol asked me to help him collect for the Muskie committee. I would appreciate it if you would see to it that this check is deposited appropriately and the bills involved which you have copies of are marked paid. I regret the delay in getting this to Hertz but I was pleased to be able to be of assistance. Sincerely yours," a copy to Richard Kline with a trans-

mittal note to Richard Kline, "Please note that you have the list of bills in your file, but for your convenience, I enclose an additional one to file with this memo."

Mr. SCHULTZ. All right, that letter is dated June 1?

Mr. LIFFLANDER. My letter to Ellen Brown of the Hertz Corp. is dated June 1, as is my letter to Richard Kline at the Muskie National Headquarters.

Mr. SCHULTZ. Now did you call Mr. Edidin and tell him that—to tell him that you had in fact received the check and the matter was taken care of the way you discussed?

Mr. LIFFLANDER. I have no recollection of that, except from this letter which says, "in accordance with my conversation with Sol Edidin yesterday" I don't know if I called him or he called me, but in any event, it says here I had a conversation with him on the day before June 1, which is the 31st of May, a Monday. I may have said I have got the check, or they are sending it to me, I don't know. I have no recollection of that whatsoever.

Mr. SCHULTZ. All right, now did you know the names of the individuals who had incurred these bills?

Mr. LIFFLANDER. Incurred the car rental bills?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. I knew—you see, I knew the names when I got this summary of the bills from Edidin, do you follow me?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. And I was familiar with all of the names on there, but one. Let me read the names to you for the record.

There is M. Baron—I never heard of him, I didn't then nor now. There's Bob Nelson, whom I knew. There's Bill Barnhardt, who I knew; Harold Ickes, who I did not know then, although I had heard of him, I knew he was working for Muskie in Wisconsin. I have met him very recently, actually. And Tony Podesta, who I knew vaguely, and had worked for Muskie in New Hampshire. Those were the names on those bills.

Mr. SCHULTZ. But you satisfied yourself that these individuals were Muskie workers and had, in fact rented cars?

Mr. LIFFLANDER. No, I didn't. I didn't concern myself with that, I just sent the bills down to Washington. I figured that was their responsibility. Believe me, I had so many more important things to do, that I wasn't very concerned about you know, the bills for the Muskie campaign.

Mr. SCHULTZ. All right, now, you mentioned in August of 1971, that you entered into a contract with the Hertz president, Mr. Shapiro?

Mr. LIFFLANDER. Yes.

Mr. SCHULTZ. About a study?

Mr. LIFFLANDER. Right.

Mr. SCHULTZ. Did you work on this study by yourself, or did you work in coordination with other attorneys?

Mr. LIFFLANDER. I was solely responsible for the study. I did all of the work myself. The relationship with other people meant interviewing many people in the Hertz organization and I did interview a great variety of people in the Hertz organization's executives to discuss some of their ideas, to pull their ideas together to bounce some of

mine off of them, and I have a partial list of the people I saw, and when I saw them, but it is not a complete list because, you see, I wasn't keeping time records on that.

Mr. SCHULTZ. Well did you use any other attorneys who were not employed by Hertz, other than Hertz executives?

Mr. LIFFLANDER. Did I use them? You mean working for me?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. No. I did interview two former attorneys from Hertz.

Mr. SCHULTZ. Who were they?

Mr. LIFFLANDER. That was Mewhinney and Murray. I interviewed them, but I didn't use them in the sense that they weren't working for me. I went to them, actually for different reasons; if you're interested in that, I'll explain it; I don't know if you are.

Mr. SCHULTZ. If you would; please?

Mr. LIFFLANDER. Sure. First, they're both friends and former colleagues of mine. Secondly, Mewhinney, when he was at Hertz—they had both left Hertz after I did and started their own law practice in White Plains—Mewhinney had been vice president and corporate counsel of Hertz Equipment Rental Corp. which is a subsidiary engaged in the rental leasing of tractors and construction equipment,—and that kind of thing, and he had once told me when he was there, he used to discuss franchising with me a lot as a colleague because I had gained some national—international reputation in the field—and he had a thought about franchising the HERC business, what we call the HERC, Hertz Equipment Rental Corp. And I remembered that, and I felt he was right at the time and management hadn't agreed with him and the thing had died and I was anxious to pick his brain and find out what his recommendation was and possibly get copies of his memorandum.

I was also dealing with the head of that division, Ed Anderle, and I met with him to discuss that and as a matter of fact you will find in my document an old report of his that I included in it, and made recommendations with respect to it.

John Murray had been counsel to the rent-a-car division and it was very difficult—of course, you see I was getting the inside view of all the Hertz employees and I wanted to get the outside view of these men who I respected, as to whether—as to what they thought, and we were discussing some of the things I was considering concerning rent-a-cars, so I met with them on two occasions to discuss my program to get their ideas, to assimilate them, and they were very helpful to me.

Mr. SCHULTZ. Was your interview with Murray and Mewhinney gratis on their part? Did they bill you for the time involved

Mr. LIFFLANDER. No; they didn't bill me.

Mr. SCHULTZ. To your knowledge, did they bill Hertz Corp.?

Mr. LIFFLANDER. I really have no knowledge of that, although I think they have indicated to me that they did, or were going to, but that was between them and Hertz. I mean I had no——

Mr. SCHULTZ. When was this meeting with Murray and Mewhinney?

Mr. LIFFLANDER. I thought you'd ask. [Pause.] Let me, Mr. Schultz, according to my records, and I did go through my diary to pull out all of the meetings I had with people, that I had diaried, in connection with Hertz research project, according to that list, I met with Larsh

Mewhinney on June 2 and—I know on both meetings I met with both men, they were both present, they were very long luncheon meetings—I know that I had another meeting with him because I know there were two, but that one was not diaried and I don't know the date of it. I can only say to you it was within 2 months, before or after, and I have no way of telling whether it was before or after the June 2 meeting, so I would say that according to my best recollection, it was within 2 months, but it could have been 2 months before or 2 months after.

You see, I met with Mewhinney's ex-boss, well actually it wasn't, but the guy heading that division, on August 2, Ed Anderle. I also met with him on June 5.

Mr. SCHULTZ. How do you know you had a second meeting with Murray and Mewhinney?

Mr. LIFFLANDER. Because I remember it very well. I remember—the reason I remember is that their office is in White Plains, it's a very inconvenient place for me to go to except it gives me an excuse to stay home at Westchester and not commute to New York and I remember enjoying that prospect of not having to commute to New York and having at least two occasions to meet with him which we did. I also remember where we went to lunch, so I remember going to lunch one time at a restaurant near Macy's, upstairs, and another time at a hotel toward the other end of town; and I know that those are the only two occasions I had lunch with those fellows.

Mr. SCHULTZ. But you have no recollection of the date of the meeting outside of June 2?

Mr. LIFFLANDER. To zero in on that as best I can, I know that it took place within a 2-month period because at the first meeting, I said we have got to get back together again very soon and it was within a matter of weeks that we did get back together again. They were very enthusiastic about my project, what I was doing, and so I just don't know, having only one diary entry whether that was the first or second meeting in my diary, you see, that's my problem.

Mr. SCHULTZ. Can you tell by looking at your study, what portion you had completed at that time with the input that Mewhinney had put in it; how that fit in with your original study?

Mr. LIFFLANDER. No. Well, I can show you right there—let me put it to you this way to answer that question. I can show you a section which I included; Mewhinney's old report is under section III, HERC, I think. Let me see—included in section III of my study, Roman III, Arabic No. 1, entitled, "Other potential franchising revenue sources, HERC," H–E–R–C, I referred to—at page 5, I said "2 years ago, Marsh Mewhinney, then the vice president of HERC, prepared a comprehensive report on the potential of franchising HERC." Much of what he said in that report is applicable today, especially with respect to the potential of the market, and I have included his report as Exhibit 1 of this section, with the understanding that HERC experience since the time of the report may have modified certain of his assumptions about costs with respect to franchise performance.

I have also revised his assumptions, and I went on to discuss his report in context, but it is all in here.

Now, as to what I gleaned from my meeting with John Murray——

Mr. SCHULTZ. Did you maintain an outline for the preparation of your study? When you first sat down to do this, did you have an outline of where you wanted to go, and completion dates that hopefully you would——

Mr. LIFFLANDER. No; I did have an outline which is really contained in the contract which I have given you. That was the outline of things that I had agreed to cover.

Mr. SCHULTZ. That you had agreed to cover?

Mr. LIFFLANDER. Yes; I was constantly jumping around from one subject to another, because, very frankly, the beauty of this work for me was that there was no time pressure. They said, you know, take as long as you want, and I said it would take about a year, because I knew that my time was limited for this sort of thing, and I would work it into, you know, whenever I had time. It wasn't top priority with me; the campaign was.

Later on, after the campaign died down, I spent a lot more time at this thing. It had dragged for a while.

Secondly, I was very much at the mercy of the availability of different individuals. The different sections of this thing hung together separately in the sense that, for the most part, one wasn't dependent on the other. I could do International separately and Truck separately and HERC separately, and different things like that.

Mr. SCHULTZ. Your first payment on the contract was December 28, I believe you said?

Mr. LIFFLANDER. Yes; that's right.

Mr. SCHULTZ. Who approved that bill for payment?

Mr. LIFFLANDER. Gerald Shapiro.

Mr. SCHULTZ. And then the May 18 was the $1,500 payment for the additional segments of legal——

Mr. LIFFLANDER. The additional contractual work which was the arrangement I made directly with Sol Edidin.

Mr. SCHULTZ. Who approved the payment on that?

Mr. LIFFLANDER. Sol did, as far as I know. Yes, that was the whole purpose of talking to him about it.

Incidentally, I do have a list of the people I saw on certain days, which gives some clue to the question you mentioned, the order that I was working in.

Mr. SCHULTZ. Is it helpful to you in refreshing your recollection?

Mr. LIFFLANDER. Only that I—well, now, for example, I know, from this list, that the International section was the thing they did last, and I remember that because the International people traveled so much they were hard to get hold of. I started, early in the game, with Milt Cohen, who was the domestic franchise man. I can tell that in June I met twice with Steve Russell, who was head of the truck division, so I was working on that at that point. But it is not terribly meaningful. I mean like, for example, in the HERC business, I met with Larsh Mewhinney on June 2, with Ed Anderle on June 5, and Ed Anderle on August 2. It all had to do with that.

Mr. SCHULTZ. Who approved the third and final payment on October 18, 1972?

Mr. LIFFLANDER. I assume that Gerry Shapiro did.

Mr. SCHULTZ. You assume that because your original contract was——

Mr. LIFFLANDER. With him, and I sent him the study, and I think I have—let me see. His secretary sent me the check.

Mr. SCHULTZ. Mr. Shapiro's secretary?

Mr. LIFFLANDER. Yes. I sent him the study on October 9, 1972, with a covering letter suggesting that we get together and have a discussion on the matter, indicating that if my recommendations are implemented, there will be a considerable amount of work necessary, and I would be pleased to be of further assistance, am looking for more business, and enclosing my bill. And 9 days later, I got my check. They pay very well.

Mr. SCHULTZ. Did you ever discuss the Hertz rental bills with Mr. Shapiro?

Mr. LIFFLANDER. Never. You mean the Muskie rental bills?

Mr. SCHULTZ. What did I say?

Mr. LIFFLANDER. You said the Hertz rental bills, and I know you meant the Muskie.

Mr. SCHULTZ. Do you know Mr. Donald Petrie?

Mr. LIFFLANDER. Yes; I do.

Mr. SCHULTZ. Have you ever discussed the Muskie-Hertz rental bills with Mr. Petrie?

Mr. LIFFLANDER. No; I have not.

Mr. SCHULTZ. How do you know Mr. Petrie?

Mr. LIFFLANDER. Well, that's an old relationship. I met Mr. Petrie at the time I was hired by Hertz in 1960. When Sol Edidin hired me, he said, there's one fellow you have to meet, and that's Don Petrie, who as the executive vice president of the company and is going to be the next president of the company. I'll never forget that because he never became the next president of the company. And I went to an interview with Petrie, which was held at 501 10th Avenue in New York. I guess I'm getting off on that. That's when I first met him. He was executive vice president of Hertz then, later became president of Hertz International. Before I went with International, I had occasion to work with him on several deals as associate corporate counsel.

I got to know him fairly well. As a matter of fact, when he applied for membership in the New York bar, he asked me to be one of those who recommended him, which I was proud to do. He left Hertz in about 1962, and he became an independent attorney and counselor, and eventually wound up putting together the deal for Lazard Freres with Avis, and he became very active in the Avis organization. He has been kind of a distant friend over those years; I always get a Christmas card from him, and vice versa, a telephone call once a year——

Mr. SCHULTZ. Have you heard from Mr. Petrie concerning the matter under inquiry today?

Mr. LIFFLANDER. No, I have not. I can tell you, of course, as I'm sure you know, Mr. Petrie, just to trace his career, left Avis and became a partner in Lazard Freres, and he left Lazard, and it was probably the end of 1971, and went to work in the Muskie campaign in the beginning of 1972.

Mr. SCHULTZ. Did you know Mr. Petrie while he was associated with the Muskie campaign?

Mr. LIFFLANDER. I saw him in the very beginning of that association at a meeting I went to in Washington. We were having a meeting to discuss the organization of the fundraising, and he was there. He was full of ideas, none of which were relevant, because he had no political experience, even though he was very effective as a business organizer. And I think he may have talked to me once or twice on the telephone about some names of people who he thought somebody should go to, and I always wound up saying, well, why don't you go to them, Don?

He worked there in Washington. I had nothing to do with that employment of his. I was surprised, frankly, that he didn't call more often and talk about it, because we had this old, old relationship. I was the one to bring him into the campaign, although I had urged him to get into politics for many years.

Petrie left the Muskie campaign, as you may know, right after the Senator made the announcement, following California, when he had this speech at the Press Club here in Washington, when he said that he wasn't going to campaign actively. Petrie was one of the few people who took that as a signal that the campaign was over, and went within days to join the McGovern campaign, which he got active in, I understand, and he eventually became treasurer of the Democratic National Committee.

I saw him once at a very large gathering during the McGovern campaign, and we exchanged pleasantries. Never did I discuss this matter with him, nor would I have had any reason to.

Mr. SCHULTZ. Well, in view of both of you having had a background with Hertz and Avis, did you ever discuss the vicissitudes of campaign people obtaining rental cars?

Mr. LIFFLANDER. Never. I know that may seem hard for you to believe, but you have to understand a couple of things. I was in New York, I was really pretty disconnected from the Washington operation. I was doing my thing in New York, he was in Washington.

Second, he didn't choose to talk very much to me. I think he felt that he became more important by dealing only in Washington.

Mr. SCHULTZ. Subsequent to the $4,000-plus bill being paid by the Muskie people, did you ever hear from any of the individuals involved with regard to their being billed for subsequent charges?

Mr. LIFFLANDER. No, sir, never. The only item that I ever heard of regarding subsequent charges is the one which I mentioned to you, and which is in this correspondence. On June 1, I have the one letter which I guess somebody in the Hertz office either saw, or the secretary gave me, about a bill that should have been included, and that was for Jim Johnson, whose name was not on the original list. It was a $361.50 item.

Mr. SCHULTZ. And what's the date of that letter?

Mr. LIFFLANDER. What I have here is a memo from me to Stanley Goldstein, enclosing this invoice dated June 1, 1972. It had been charged to Jim Johnson's—on his American Express card, and remained unpaid, and I said to Stanley in this letter:

> As you know, I've just settled the Hertz account for $4,100.29, but this bill has arrived after the settlement agreement, and in addition was charged to American Express and not Hertz, and therefore cannot be included. The obligation, therefore, is a personal one of Jim Johnson's to American Express, as I understand it. And the way this payment should be handled is that Jim should be reimbursed so that he can pay American Express.

Mr. SCHULTZ. Was that bill handed to you, or was it mailed to you?

Mr. LIFFLANDER. Well, what I have underneath this is a letter from Stanley Goldstein addressed to Mr. Edidin, spelled incorrectly. It says:

DEAR MR. EDIDIN: Per our conversation today, would you please charge the enclosed bill to the Muskie for President Committee, and drop the charge against Jim Johnson? Thank you.

Sincerely,

STANLEY GOLDSTEIN.

Dated May 17, received by Hertz on May 22.

Edidin must have given me this. That's the only way I would have gotten this, and I sent it back to Stanley.

Mr. SCHULTZ. Would he have given you this? Well, obviously he would have given you this after the $4,000 check went out.

Mr. LIFFLANDER. I would think that is a fair assumption, yes; but I just have no recollection.

Mr. SCHULTZ. Well, no, that's not right either, because you said that the $4,000 check was mailed on June 1.

Mr. LIFFLANDER. Yes, that's true. He may have given it to me during the period in which he was waiting for the check, you see, from the Muskie committee, and after which—he may have given it to me during the period in which he gave me the contributions that he had collected, and was waiting for the check for the Muskie committee. I don't know; it is in my file. It speaks for itself, and I have no recollection of it except what is there. I don't even know why it is important, frankly.

Mr. SCHULTZ. Now, did you ever have contact with Mr. Baron in connection with his arranging for cars or having reservations confirmed by someone in Hertz' office?

Mr. LIFFLANDER. I can't remember Mr. Baron. I told you I didn't know who he was. Now, if he was one of the advance men——

Mr. SCHULTZ. I'm sorry, you did.

Mr. LIFFLANDER. If he was one of the advance men who came to New York, could I help him get a car, then it's possible. I could check, but I don't think so. I'd never heard of his name.

What was his first name?

Mr. SCHULTZ. I'm sorry. I didn't see the note. You did say you didn't know him. How about Mr. Nelson?

Mr. LIFFLANDER. No, sir.

Mr. SCHULTZ. Mr. Bernhardt?

Mr. LIFFLANDER. No.

Mr. SCHULTZ. Mr. Ickes?

Mr. LIFFLANDER. [Nods in the negative.]

Mr. OHRENSTEIN. She has to repeat what you say, and you just shook your head. Answer audibly.

Mr. LIFFLANDER. No. The answer is no to all those people.

Mr. SCHULTZ. Who was the name of the person that you provided your personal credit card so they could get a rental car?

Mr. LIFFLANDER. Well, let me see if I can try from these records to be helpful on that. I remember certain advance men. What I am going to do, Mr. Schultz, is look at the bills that I have in my records which were paid by the New York Muskie Committee and which somebody else's name is signed there which indicates that they were people who I gave my card to because my card is on there, in other words, the imprint of my card and somebody else's name——

Mr. SCHULTZ. Well now let me ask you this first.

Mr. LIFFLANDER. Yes, I don't think it's going to help you one bit.

Mr. SCHULTZ. As finance coordinator of New York State, did you have to approve the payment of these bills?

Mr. LIFFLANDER. Actually, no, because at some point in the campaign the bills were paid by the New York Campaign Committee which I wasn't even signing the checks on.

Mr. SCHULTZ. Who did sign the checks, if you remember?

Mr. LIFFLANDER. Well, I had authority to sign the checks; so, too, did Esther Nuberg who was the campaign coordinator. She had dual check-signing authority with our accountant whose name was Lloyd Springer. So that any two of the three of us could sign the checks for the Muskie—the committee was called New York People for Muskie, you see, and that would be the committee which these few car rental bills—and believe me they are very few and I have copies of all of them—you see the committee was never that active or involved.

Mr. SCHULTZ. Now who are the individuals that used your card?

Mr. LIFFLANDER. Well, this one looks like Marcelle or Maurice G. Revera, and I can't—I can't identify—well, let's look at the originals, maybe that would be better.

Mr. SCHULTZ. Well, do I take it from your hesitancy that you don't know the individual, you just merely made your card available?

Mr. LIFFLANDER. I don't know until I look at them, until I look at them, I don't know, you see.

Mr. SCHULTZ. Well do you know who Marcelle Revera is?

Mr. LIFFLANDER. Never heard of him. It could be Manuel Revera; he lives in Paterson, N.J. Here is another one, I can't even read his name; there's only two that I can find that fit that category.

Mr. SCHULTZ. And you paid for these bills yourself?

Mr. LIFFLANDER. Well, as I say, on two or three occasions an advance man came to town and he needed a car badly, either to get the baggage at the airport or some stupid thing like that, and he said nobody would give him credit, and somebody at the campaign headquarters would say, well Matt has a Hertz credit card, or he used to work for Hertz, maybe, and they'd call and I used to get very annoyed because I didn't want to have anything to do with that part of the operation. Just because I knew of all of the problems in those things. I was very happy with myself that I had avoided that aspect of the campaign. So, when these guys would call, I would say, well I would check to see if it was legitimate, if the Senator was coming to town and they didn't have a car to get his baggage, I would say all right, and I would loan them my card, with great admonition to make sure it came back that night. So they could go over to—and they did. One bill was for $27, and another was $26. And I don't think that—here's a letter I wrote on January 4, which I—Peter Belleman, he's one of the guys who I authorized. Here's a letter to the Hertz Corp. authorizing—this is typical of the transaction, OK—January 4, 1972, to the Hertz Corp.:

Gentlemen: The New York People for Muskie Campaign, of which I am Treasurer, requires three station wagons to be rented on January 5th, 1972, and returned on January 6th, 1972, plus one small van for the same dates. I hereby undertake to guarantee the payment of that rental, and if you wish you can charge it to my Hertz Credit Card number * * * Mr. Peter Belleman of our Committee is authorized by me to make arrangements for this rental. Very truly yours.

I have a letter here, on that occasion.

Mr. SCHULTZ. Now who is that directed to?

Mr. LIFFLANDER. To the Hertz Corp., 660 Madison, and I would give that to the advance man and he would go down to the car rental station with it and they would accept that.

Mr. SCHULTZ. And then the billing was handled in the usual course of business by the use of your card?

Mr. LIFFLANDER. Yes; I got the bill because it's probably the same deal because January 6 is this time in on that car for $27.15.

Mr. OHRENSTEIN. That would be billed to your credit card, your personal Hertz credit card?

Mr. LIFFLANDER. That's right. I gave him my credit card which is, incidentally, a perfectly acceptable procedure which you will find in the Hertz manual, that you can give a letter of authorization to do that sort of thing and I was familiar with that.

This other one happened—these two may have been with respect to the same deal, frankly, yes. And as I say, I think I remember that happening three times in the campaign.

Mr. SCHULTZ. Don, do you have some questions?

Mr. SANDERS. Yes. Off the record.

[Discussion off the record.]

Mr. SANDERS. OK, on the record.

Mr. Lifflander, I want to ask you some questions about your April contribution to the Muskie campaign.

Mr. LIFFLANDER. Right.

Mr. SANDERS. Did you do this in response to any particular solicitation or request?

Mr. LIFFLANDER. I can't remember why I did it. My best recollection was that I did it in response to some urgent need and if I went back over the newspaper accounts as to what was happening in April, we probably were in dire shape and I was able to do it, and I did it out of a certain emotional—in other words, it happens. One gets carried away in a campaign, and I did.

Mr. SANDERS. Would this have been contributed to the New York People for Muskie?

Mr. LIFFLANDER. No; it was contributed to Washington, as I testified. The check was made out to Muskie Election Committee, and it was deposited in the Muskie for President Committee in Washington.

Mr. SANDERS. I asked if it might have been deposited in New York because you deposited these other checks to the New York account, even though they were made payable to Muskie Reelection Committee.

Mr. LIFFLANDER. That is right, and I can explain to you why in each case, if you would like to know.

Mr. SANDERS. Well at the moment, I think I just want to talk about this April contribution.

Mr. LIFFLANDER. Yes; I'm talking about that. The reason, if I deposited it in New York, the people in Washington wouldn't have known I was giving $1,000 of my own money. I sent it to them in Washington so that they would know that old Matt was doing even more.

Mr. SANDERS. You think, then, that there was no one particular person in Washington who urged you to make a contribution?

Mr. LIFFLANDER. Nobody ever urged me to; no. That's right. I mean, frankly, I was donating 2 years of my time. I am not a wealthy man. I had made some money when I sold my Uniworld Co. I was living off of that. And that was my big, last-hurrah thing in politics and I was enjoying it so I was doing it.

But, in addition to giving all of my time and myself, they didn't ask me for money.

Mr. SANDERS. And in 1971 and 1972, you did not make any other political contributions of let us say, $100 or more?

Mr. LIFFLANDER. No I, didn't say that. I said in 1972 I didn't. In 1971 I did have a couple of contributions to—in June of 1971, June 23, 1971, I made two contributions, one for $50 for the Muskie Campaign Committee in New York, and one for $250 for the New York People for Muskie in New York.

The reason I did those, we were just setting up the accounts in the committee and there needed to be some money in there for some purpose, for a telephone deposit or something, so I wrote my own. That was one of my contributions.

Mr. SANDERS. To whom were you responsible, if anyone, in the New York State apparatus of the Muskie campaign?

Mr. LIFFLANDER. In the New York State apparatus, nobody.

Mr. SANDERS. Were you responsible, then, to a finance chairman in Washington?

Mr. LIFFLANDER. I was responsible to Arnold Picker, who was the finance chairman, as you know, and I was also—worked directly with Dick Kline, who was the finance coordinator. Those people were my direct supervisors, contacts, bosses, call it what you will.

Mr. SANDERS. Why don't we lay out the check and that will make us remember that we want to Xerox that?

Mr. O'HANLON. I can go do it now, if you like?

Mr. LIFFLANDER. All right, but don't lose it.

Mr. SANDERS. You told us on one occasion that you met in May, met with Edidin, in May in his office because you remembered seeing he had moved to a different office?

Mr. LIFFLANDER. Yes. Hertz has a special theory, when you're on your way out, you're in a special office, and he was in that special office.

Mr. SANDERS. And then you said in your diary that it was noted that you had met him for lunch?

Mr. LIFFLANDER. Yes.

Mr. SANDERS. Can you now recall whether those were one and the same occasions, or does it seem to you that there are two different days?

Mr. LIFFLANDER. I really can't recall. Frankly, I had never pulled out that diary until Senator Ohrenstein just did it while we were talking and showed it to me. It is in pencil, which in terms of my habits, means one of two things to me. It means it was done hurriedly, because if it was done with any planning or forethought, I usually would write them in ink. So, if it is in pencil it means one of two things, either it was tentative or it was done in a hurry. And frequently it is my habit, but not always, to go back after I have had a meeting

which is in pencil, to put it in ink. This is still in pencil. I can't say whether I had lunch with him that day or not; it is certainly an indication of it and very frankly, the day I went there to resolve this, we may very well have gone out to lunch as well. The problem is, I've had lunch with Sol so many times in my life, that I can't remember—I mean there is nothing memorable about the lunch. Frankly, my best recollection is I didn't have lunch with him the day I picked up the checks.

Mr. SANDERS. Would it seem reasonable to you that you would go to lunch from his office?

Mr. LIFFLANDER. Yes, that's the way we always would do it. Now this raises a possibility that we had lunch and discussed some of these matters and then some days later I went over and got the checks, I just don't remember.

Mr. SANDERS. Now your thought is that you went to his office sometime in May at his request?

Mr. LIFFLANDER. Yes.

Mr. SANDERS. And while you were there, you talked with him about some additional work to be done on your franchise study?

Mr. LIFFLANDER. Right.

Mr. SANDERS. And you indicated to him that an additional fee would be warranted?

Mr. LIFFLANDER. That's right.

Mr. SANDERS. Do you think that you returned to your office the same day and prepared a billing for that?

Mr. LIFFLANDER. I probably did; I probably did.

Mr. SANDERS. Looking at the sheaf of Xeroxed documents you gave us, I see a memo that you prepared for your files?

Mr. LIFFLANDER. Right.

Mr. SANDERS. Undated?

Mr. LIFFLANDER. Right.

Mr. SANDERS. And then your invoice to Hertz of May 18th?

Mr. LIFFLANDER. Right.

Mr. SANDERS. In your conversation with Edidin, I believe you said that when he asked you if you could make a contribution of $1,000 you said you couldn't, but that you had made one in April and that you would see if—well, I don't remember your terminology, but the thought that entered my mind was that you would see if that could be credited in a way which would insure that he—that Hertz would be paid the full amount of this, of the rental invoices?

Mr. LIFFLANDER. Yes; that's right. What I said to him was, when he made the proposition to me that I should—would I make the contribution, because he was $1,000 short—I said that I couldn't or wouldn't and that really you didn't have to worry about that because I had made a contribution in April or just recently, the time, I don't remember whether I said April or whether I said just recently, and that, you know, you could have credit for that toward your thing, and I said don't worry about it, I said they'll pay it if I tell them to pay it, that was the jist of my conversation, not the exact words.

Mr. SANDERS. Did you, thereafter, make mention to anyone else in the Muskie campaign in your effort to insure that Hertz would be paid, did you mention your April $1,000 contribution?

Mr. LIFFLANDER. I am not sure, I am not sure if I did or not, I remember being prepared to, if somebody said well this isn't enough. But when I called Dick Kline to tell him I had the checks, I said it's—I don't remember frankly whether I said, I know I said it's $1,000 less than it's supposed to be and I don't remember—I said, but pay it anyway or you can count the $1,000 I gave you last month toward it, I just don't remember. I asked Dick Kline about that recently and he didn't remember either, he said the whole thing is very vague in his mind and he just doesn't remember.

Mr. SANDERS. At the time that you made the contribution in April, were you aware that Sol Edidin was holding bills from the Muskie committee for the rental of automobiles?

Mr. LIFFLANDER. No, sir, I knew nothing about that and I want to make it very clear to you so that you understand. And if anybody told you otherwise, they are lying to you; that my contribution to the Muskie campaign in April was a labor of love and devotion to Senator Muskie and it had nothing at all to do with Hertz or its bills or anything else, and I knew nothing about it. I knew nothing about it until the call I got from Sol that the bills even existed. And the last thing I would do is make contributions on their behalf. Frankly, I left Hertz with the feeling that I owed them nothing.

Mr. SANDERS. Was your $1,500 invoice to Hertz on May 18 written pursuant to any conversation you had had with Edidin concerning recoupment of funds for the Muskie committee in order to pay Hertz?

Mr. LIFFLANDER. I don't understand your question. You'd better ask it over again.

Mr. SANDERS. Was your $1,500 invoice of May 18 written pursuant to any conversation, agreement, or understanding you had with Edidin other than in relationship to the franchise study you were working on?

Mr. LIFFLANDER. No; it was not.

Mr. SANDERS. And your $1,500 bill of May 18 had no relationship whatsoever to your $1,000 contribution in April?

Mr. LIFFLANDER. No; it did not, unless you want to say that they felt an obligation to me, but I don't know what was in their mind, because I had been able to help them settle this bill. I went to them on a businesslike basis to discuss some work that needed to be done, which I honestly felt needed to be done in Hertz's best interest; and I wanted to get that job of doing it. And that was the basis on which it was discussed, and Sol agreed to it and understood that.

Now, if—you see, I don't know what he is telling you. You have given him immunity, and he's got reason to tell you a lot of things to make you happy; because I'm not sure whether you are aware—what I have been told by the IRS is that they're investigating him for a lot of other things having nothing to do with this campaign.

And so I don't know what stories he has come here and told you, and I don't know what was in his mind at the time he agreed to my suggestion that I do this work, which I have shown you; but I can tell you what was in my mind, and I can show you the work, and I can tell you that it is worth what was paid for it, and it was done and done well.

Mr. SANDERS. Well, when he called you in May and spoke to you about the bills which were owed to Hertz by Muskie, did you go to see him the same day?

Mr. LIFFLANDER. No; I already told you, Mr. Sanders, that when he first called about it, I brushed him off and told him who to call in Washington. That was the extent of my favor to him. He then called again when he couldn't get through to Washington, and I volunteered to call for him.

Then he had some—apparently he had some conversation with somebody in Washington, who I assume was Stanley Goldstein. And I asked Stanley when I saw him this summer whether he remembered that, and he didn't even remember. He said I settled so many bills, and I don't remember.

But I assume it was Stanley he had the conversation with, and then after that was this other phone call or meeting or two meetings in which he brought me into the picture only to pick up the contributions. He said he had agreed to raise contributions. And I mean, when I say contributions——

Mr. SANDERS. There's some several days intervening between your first——

Mr. LIFFLANDER. When I say several contributions, I mean genuine contributions from some of the boys, whatever that means.

Mr. SANDERS. Was it some several days after Edidin's first call to you in May that you finally went to his office to pick up the contributions?

Mr. LIFFLANDER. Well, it had to be several days or a week or two. I mean, it all happened, to my best recollection, it all happened within a month's period of time. That is borne out by my records. As a matter of fact, I do know that—I should say that my best recollection is that the first time he called and the second time he called, there was a couple of days in between because it wasn't like the next day that he called and said that he couldn't get through.

I remember, you know, being—I just remember having a feeling of being a little surprised that it was still an open matter the second time he called.

Mr. SANDERS. At what point in time did you determine in your mind that you wanted to do some extra work on the franchise study for Hertz and to charge them an extra fee for this?

Mr. LIFFLANDER. Oh, at what point in time? Well, I can't remember precisely, but it was some considerable time before I saw Sol on this occasion that we have just discussed. It was something that I was meaning to see him about, you know, at my earliest convenience. So when the occasion came up—and I didn't know he was leaving, you see, so I wasn't, you know, pushing. I only pushed when I heard he was leaving. That's what made me want to push it, because knowing the Hertz organization, I didn't want to have to deal with anyone else.

Mr. SANDERS. Before talking with Edidin about an additional fee on the franchise project, did you discuss it with anyone else in the Hertz organization?

Mr. LIFFLANDER. No, no, and I wouldn't have either, because I knew if I discussed it with Shapiro, he would have said you'd better talk to Sol about it. You know, I was with the Hertz organization for 9 years. I knew how they worked. So he was the one to speak to about it, and nobody else.

You see, then it came out of the business consultancy status into a legal fee, and that's why I chose to do it that way.

Mr. SANDERS. On the occasion of your initial agreement with Hertz to do the study, was the scope of the work reduced to writing?

Mr. LIFFLANDER. Yes.

Mr. SANDERS. Do we have a copy of that?

Mr. LIFFLANDER. Yes; you do. You have a copy of the contract itself which carefully delineated it. In addition, I think you have a preliminary letter—and if you don't, I will give it to you—which was the first discussion of my proposal.

I think maybe you don't have that. Yes; here it is. I will supplement that with my August 20 letter, which basically was the letter I used for the basis of the contract, you see. And you will find that both of those letters describe the scope of my assignment, and that neither of them encompass the legal function, the legal aspects.

I think if you read this, Mr. Sanders, you will know what I mean by the legal aspects of the project.

Just to go back to your question, I think if you get a chance to go through this you will see it is a pretty complex and encompassing project that I undertook for Hertz. And it's the kind of work where until you get into it you don't exactly know how you're going to do it. You know what you want to do, but how you organize it, et cetera, at least in my style of working, until I get into it and start dealing with the actual problems, one doesn't see the whole scope of it. It is almost impossible to do. Perhaps more experienced management consultants could do that better than I, but it wasn't until I was thinking about it, and planning it, and had some preliminary conversations that I realized that the legal function was something that had to be planned for.

Mr. SANDERS. We've got that letter.

Mr. LIFFLANDER. Have you got that letter? I don't think so.

Mr. SANDERS. August 16 and August 20, yes.

Mr. LIFFLANDER. Oh, you have got it. OK.

Mr. SANDERS. Well, now, your August 16 letter is directed to Fred Mudgett.

Mr. LIFFLANDER. Right.

Mr. SANDERS. And your November 11 letter is directed to Gerald Shapiro.

Mr. LIFFLANDER. That's right.

Mr. SANDERS. Now you are telling us that in May you are going to seek an enlargement of the agreement with Edidin.

Mr. LIFFLANDER. [Nods in the affirmative.]

Mr. SANDERS. How do you reconcile——

Mr. LIFFLANDER. You mean why didn't I go to Mudgett or Shapiro?

Mr. SANDERS. Yes.

Mr. LIFFLANDER. Well, because I had a very keen understanding of the Hertz organization and how it worked. It's a question of wheels within wheels, and knowing corporate politics—Fred Mudgett was a group vice president whose area of responsibility was primarily involved—because of conversations that Fred and I had had over many years in working with Hertz, I knew that when I proposed this idea to him that he would like it and hopefully buy it, which he did. He felt that it was such a major thing—one would be surprised to think that a corporation the size of Hertz would consider that a $5,000 study was a major thing, but sometimes it is that way—that

he had better discuss it with Gerry Shapiro, who was then the president. I believe he was the president then.

Mr. SANDERS. It is indicated that he was.

Mr. LIFFLANDER. Is it? OK. So that's how Gerry got involved in it. And after Gerry got involved in it, he was the kind of president that he cut Fred out of it, and he wanted to deal with me directly. He kind of enjoyed this whole thing, and he was getting more involved in this whole thing.

Later on when this legal aspect came to my mind, and I realized that that had to be covered—and now, let me explain it to you once again. I thought I explained it once before.

This study—and if you read it, you will see—makes a series of recommendations involving the expenditure of a great deal of money by Hertz, that basically they should go expand their franchising activities, talk to franchise aspects of the business that they weren't franchising, and expand the franchising of those that they were; and showing them with projected budgets how they could make money on it.

The numbers got to be pretty impressive. I was impressed myself. I was impressed myself to see how much profit could be in this thing as I projected it, and how much expense would have to be involved.

At that point when I realized where I was going with the thing, I also realized that it would be imprudent and not appropriate for Hertz to approve this plan that I was recommending which I knew would be a momentous decision involving changing of certain corporate policies and people and so forth, unless it was a prudent thing to do legally. And I knew that I wasn't really up on top of it any more, but I knew—I used to keep on top of franchise law, and I hadn't in a year or so, or 2 years, and I knew that there were many laws being enacted in different States, and there was pending Federal legislation—Senator Hart's committee was involved in it—and that some of these things, the new California law and the Federal law, as well as some of these things happening in other States, could be an impediment to this program.

So I felt that in order to make the decision, they would have to have a legal analysis, an analysis of the legal aspects. And I frankly was not going to do anything for nothing for Hertz. I had realized that the fee I was getting was not too expensive for what I was doing, and that if I was going to do the legal aspect of it, which I felt eminently qualified to do, I should get paid extra. And that the only way—if I went back to Mudgett or Shapiro, who are not lawyers or who were not sensitive to this thing, it would have been in a whole corporate decision again. And I realized if I went to Sol who understood these things very well and who knew me, and I think had some trust in my integrity, if I told him—you know, because for many years he relied on my legal judgments—that if I told him that I thought this was necessary, he would accept it. I wasn't trying to, you know, get a fee for something that didn't need doing. And so I made this proposal to him.

Mr. SANDERS. Between the time you received the first installment payment of $1,500 and the time when you received the balance of $3,500, did you receive any legal fees from any Hertz corporation other than this $1,500?

Mr. LIFFLANDER. No, those three fees were the only fees I received from Hertz since I left.

Mr. SANDERS. Up to this date?

Mr. LIFFLANDER. Right. Up to now even.

Mr. SANDERS. Are you a sole practitioner at the moment?

Mr. LIFFLANDER. I am a counsel to a 25-man firm, but in essence I am a sole practitioner.

Mr. SANDERS. Do you not customarily bill the 1st of the month?

Mr. LIFFLANDER. I try to bill the 1st of the month. In this particular situation, my understanding with Hertz was that I would get the first payment as a downpayment when I started. And I was—as you notice, it was December 28—I was anxious to get it in for that year's income, and pressed them to make sure I got the check before the end of the year.

In the case of the bill I sent to Edidin, I was anxious to get it paid before he left because I knew he was leaving, which was why I brought it up when I did.

My practice is to bill on the 1st of the month, except if I have a new retainer client, I try to bill as soon as possible.

Mr. SCHULTZ. Dick, do you have some questions?

Mr. O'HANLON. I have one or two.

You may have answered this before, but when you went to see Edidin regarding this extra work, did you talk to anybody else besides Edidin about the extra work, or is he the only person you talked to?

Mr. LIFFLANDER. He is the only person, Mr. O'Hanlon. When I went to see him, you see, he had said why don't you come up to my office and you can meet Joe Alderman, who was his successor.

And mind you, I had just found out he had a successor, so I had intended, if he was going to take me in to meet him, to bring it up in front of both of them. But I didn't get to meet Alderman, and so I didn't——

Mr. O'HANLON. The only one in the organization would have been Edidin who knew anything about this extra work.

Mr. LIFFLANDER. Except anybody else he might have told.

Mr. O'HANLON. OK.

Mr. LIFFLANDER. I think I probably told—at some subsequent time I probably told Shapiro that I was, you know, doing this, and I had made an arrangement with Sol.

Mr. O'HANLON. By subsequent you mean how long after? Before you got the check or after?

Mr. LIFFLANDER. Oh, no, no. After.

Mr. O'HANLON. After you received the check?

Mr. LIFFLANDER. Yes. My concern was to get the check before Edidin left.

Mr. O'HANLON. Was there any discussion of amending the contract to include this extra work rather than doing it on an aside basis?

Mr. LIFFLANDER. No; there was none. I think my bill took care of that. I explained on my bill what it was for.

Mr. O'HANLON. And the first time you would have talked to Edidin about this added work was in May, is that correct?

Mr. LIFFLANDER. Yes; I believe so. The reason I believe it was in May was because it was after I heard he was leaving, and it was at the same time that this same business with the Muskie cars came up.

Mr. O'HANLON. So May would be the first time you talked to him about the contributions used to pay the Hertz bill and also the added work and the legal fee?

Mr. LIFFLANDER. Yes; I believe it was May.

Mr. O'HANLON. I take it from what you have said that you originally did not have in mind including this legal aspect in this document until later. That was not part of your concept of what the contract should cover, is that correct?

Mr. LIFFLANDER. Yes; that is correct. My original concept was to cover a series of items which is spelled out in the contract, and I had never thought of the legal aspect. It wasn't until after I got into the work that I realized that this legal aspect was going to be important to it, because I was making recommendations involving expanding the program on a large scale, and I thought it should be checked.

Mr. O'HANLON. And this document was, let's say, put together. About what date would you say it was completed, typed up, and so forth?

Mr. LIFFLANDER. The whole document?

Mr. O'HANLON. Yes.

Mr. LIFFLANDER. In October of 1972.

Mr. O'HANLON. Did you prepare it piecemeal, or did you have it typed up and completed, all sections of it at one time?

Mr. LIFFLANDER. That's a hard question to answer because I did each section at a time, but I delivered it all at once. I didn't give them anything until it was all done.

Mr. O'HANLON. I see. Do you have any questions, Bill?

Mr. LIFFLANDER. Incidentally, I should say most of it culminated at about the same time. I wasn't sitting with a completed section for a long time.

Mr. MAYTON. I'm looking at your outline of the areas that you proposed to report on in your contract of November the 11th, and it does not coincide with the outline that you have in the final report.

Mr. LIFFLANDER. You mean with the index.

Mr. MAYTON. Yes, with the index. I mean there are some areas in here that don't seem to be in the outline. What is it about the legal considerations that is such an addition that it would require an extra fee?

Mr. LIFFLANDER. What is it about it that——

Mr. MAYTON. Yes.

Mr. LIFFLANDER. Well, the—I'm sorry, in a sense that you—you asked me two different questions at once. Let me try to answer them, break that apart. Because, well, I very faithfully followed my scope of work. One of the things that I did when I completed this was to go through that scope of work commitment in the contract to make sure I had covered every item. And if you read the whole thing, you'll find that I have.

The outline is not the way to test the scope of work because the outline is the way of presenting a thing and structuring it. I could show you precisely, if you would like, if you let me see the scope of work aspects.

Now, for example, I say I propose to analyze the maximum franchise income potential from the total categories. Well, I broke it into which franchise categories. It says analyzing existing franchise programs—it

says it right there—existing Hertz corporate business not presently franchised; that comes under other potential franchising revenue sources. New business that Hertz has under consideration. That is woven into here; although it turned out that most of the new things that we were thinking of when we prepared this and we had our preliminary discussions, were no longer viable. Hertz was up and down.

And I can go right through that and show you how that weaves into it, if you want me to. And the second section we're talking about use of names, administrative cost revenue potential, that is never into each section. So I carefully did that.

What is different about the legal aspects is that it involved a separate professional responsibility. Very frankly, I had not been a lawyer for several years when I entered into this contract with Hertz. I had been off running a business. In my later years at Hertz I had begun to get away from the law, and I was spending half my time as a lawyer and half the time running the business and doing their acquisitions and mergers and things like that.

So that I think psychologically when I prepared this, the last thing I thought of was the legal aspect. Today, now that I am back practicing law again for a year, a year and a half, that would be the first thing I would think of. But in those days it was exactly the opposite.

As I was doing the job, it became apparent that this was a big loophole in the study which had to be filled, and that it was, you know, in relative terms, if you read each section separately, just as large, if not larger, than many of the others and terribly important, because much of this study, with my recommendations, would hang on whether or not it was legal. And if you read that section, you see what I am dealing with—the various State statutes and the Federal legislation. I analyzed them. I gave them copies of the statute. I gave them copies of a recent memorandum in the field which I had come across in my research. And I kind of related that, as I recall it, to the program that I was recommending.

So it was a major thing in itself, and it was not the kind of thing that—I mean, the Hertz Corp., like many businesses in those days, the business people were not always sensitive to legal considerations. If you were a lawyer, a captive counsel in a corporation—I don't know if any of you have that experience—you know that you frequently are fighting management to consider the legal considerations. Some companies are just the opposite. I think Hertz has now changed, from what I hear, to RCA's methods. There they have the management all convinced they can't do anything because it's illegal, and they'd better do that first.

So does that answer your question?

Mr. MAYTON. I think so, yes. That's all I have.

Mr. SANDERS. I believe you told us that the checks given to you by Edidin were deposited by you to the New York People for Muskie account.

Mr. LIFFLANDER. I don't think I said that. I think I said they were deposited in one of the New York accounts. I don't remember which one.

Mr. SANDERS. Your correspondence, your thank you's to the contributors indicates at the bottom, a note at the bottom, "Check Muskie Election Campaign Committee, DEP Muskie Campaign

Committee." Did that indicate a deposit to the Muskie Campaign Committee?

Mr. LIFFLANDER. Yes, that's right. That would indicate that.

Mr. SANDERS. Is that the formal name of one of the accounts in New York?

Mr. LIFFLANDER. One of the accounts in New York, yes.

Mr. SANDERS. And that would have been where it in fact was deposited?

Mr. LIFFLANDER. Yes.

Mr. SANDERS. Then would it not be the Muskie Campaign Committee report to GAO which should reflect these contributions?

Mr. LIFFLANDER. Yes, and it does, and that's the page I don't have with me. And I will provide it to you. I have that.

Mr. SANDERS. May I say to you that we have searched a GAO computer printout of all contributors, and all of these are not contained in that printout. That could be a GAO fault, or it could be a reporting fault of the Muskie Committee.

Mr. LIFFLANDER. I am frankly embarrassed that I don't have that page, because I had it and I gave the IRS a copy of it. There were two pertinent pages.

Mr. SANDERS. For example, Mrs. Eaton is listed, but not Bart Eaton.

Mr. LIFFLANDER. He's on the next page. He listed for $500.

Mr. OHRENSTEIN. I'm telling you, we gave those very same copies of a report to the IRS on the record, you know, according to——

Mr. LIFFLANDER. Is she listed for $500 or $1,000?

Mr. SCHULTZ. $500.

Mr. LIFFLANDER. Then you missed a page. All those names are listed. I have a copy of it. Somehow, however, I don't have it here today. I thought I did.

Mr. SANDERS. Would it have been the June 10 report?

Mr. LIFFLANDER. I can't be sure. Let me ask you this question. Do you remember—I'm sorry. I don't want to be asking a question. That's not fair.

Mr. SANDERS. We'll go off the record a minute in case I can't answer it.

[Discussion off the record.]

Mr. SANDERS. OK. Back on the record.

Let me just state for the record that Mr. Lifflander indicates that he is going to send us a copy of the Muskie Campaign Committee report to GAO in June 1972.

Mr. LIFFLANDER. As I recall it, the dates on our report of the contributions varied. They weren't all on the same date. And let me say this to you, because when you see that a logical question to me would be well, how come the dates were what they were.

We had a system where the contributions were recorded on cards. One of the problems we had as the first year of the system in the GAO, when they audited my accounts, gave me a high rating and said that we had done a good job in relative terms. There were a few little things, some bookkeeping errors, I explained it to them, and I want to explain it to you.

When it came time to make up reports, my staff was gone so I had to do it myself with my secretary. We had to do our best to determine the date of contribution and which committee it went into. Some-

times our records were incomplete, so the date could have been the date of the check, the date we deposited, or the date we received it. And we were never really sure.

Mr. SANDERS. I understand. At the time you were given these checks by Mr. Edidin, did he say anything whatsoever to you which would have indicated that he received them from the contributors on the basis of billings that they made to Hertz for services not actually rendered?

Mr. LIFFLANDER. No. My recollection is that he said I got contributions from some of the boys. I remember that phrase, some of the boys. And as I said, I didn't know who the boys were until I looked at the checks, because I knew most of the boys, not all of them.

Mr. SANDERS. Was it not indicated to you that they were able to recoup the contribution by billing Hertz?

Mr. LIFFLANDER. I don't remember any such indication.

Mr. SANDERS. OK.

Mr. SCHULTZ. You have indicated you know Mr. Mewhinney and Mr. Murray.

Mr. LIFFLANDER. Right.

Mr. SCHULTZ. Do you know Mr. Ticktin?

Mr. LIFFLANDER. Yes; I do.

Mr. SCHULTZ. How do you know him? Is he a former Hertz employee?

Mr. LIFFLANDER. He's a former employee. Mr. Ticktin for many years was secretary of Hertz for many of the years I was there. He left before I did. He became a lawyer in private practice, and as a matter of fact, he once represented a client who was buying a company that I was responsible for selling at Hertz.

Mr. SCHULTZ. Do you know Bart Eaton?

Mr. LIFFLANDER. Yes.

Mr. SCHULTZ. Do you also know him as a former employee?

Mr. LIFFLANDER. Yes, I know him as a former employee. As a matter of fact, I was the first one to interview Bart when he was just getting out of law school. He worked for Ticktin, and he also left, I think, after I did and is in private law practice.

Mr. SCHULTZ. Are there any other checks or names that you may have a record of in your Muskie records but you do not have on the list you provided us today, or the information that you provided us?

Mr. LIFFLANDER. Were there any other checks or names?

Mr. SCHULTZ. Any other checks or individuals whose checks were in this group that you haven't edited, other than these?

Mr. LIFFLANDER. In the group I got from Edidin?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. No. I believe that's the entire group.

Mr. OHRENSTEIN. The group you just named?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. I think that group adds up to $3,100.

Mr. SCHULTZ. And then the check that you got back to pay Hertz with was in the amount of $4,103.29?

Mr. LIFFLANDER. Something like that.

Mr. SCHULTZ. I was going to ask you, do you know who signed that check?

Mr. LIFFLANDER. The Muskie check to pay Hertz?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. No; I don't. You asked me that.

Mr. SCHULTZ. I thought I did.

I hand you a copy of a check dated May 30, 1972, the caption of which is Muskie Convention Committee 1972, K Street NW. Do you know the signature, or can you read that signature?

Mr. LIFFLANDER. Yes; it looks like the signature of Richard Kline, K-l-i-n-e. That would be the—I assume that is the check in question.

Mr. SCHULTZ. It would appear to you from looking at that, that that is the check that you sent to Mr. Edidin?

Mr. LIFFLANDER. Well, I have no recollection of the particular check. It appears to be because of the amount of money involved, and I see the check is made out to the Hertz Corp.

Mr. SCHULTZ. Were you instrumental in getting any other Muskie checks payable to the Hertz Corp.?

Mr. LIFFLANDER. No, sir.

Mr. OHRENSTEIN. Well, except for the few car rental bills which you paid out of the Muskie——

Mr. LIFFLANDER. Oh, yes, yes.

Mr. SCHULTZ. Well, outside of those.

Mr. LIFFLANDER. You mean in terms of any other car rental deal that they may have had?

Mr. SCHULTZ. Yes.

Mr. LIFFLANDER. No, sir.

Mr. SCHULTZ. I have no further questions.

Mr. O'HANLON. I have one. During the course of this project, which was undertaken in November 1971, did you discuss with anybody in the Hertz organization the progress of this, of its evolving, or anything at all about it?

Mr. LIFFLANDER. Of my project?

Mr. O'HANLON. Yes.

Mr. LIFFLANDER. Oh, all the time; yes. I had a long series of meetings, some of which—let me say this to you, Mr. O'Hanlon. I have a list here—I sound like Senator McCarthy—called meetings with various Hertz people re: Hertz project 1972. I made out this list in an effort to try to find out how much time I'd spent on the project, just for my own analysis of seeing whether I had done well or badly on my fee, because it was a preagreed fee. And there's 1, 2, 3, 4, 5, 6, 7, 8, 9, 10—there are 14 people on that list, ranging from January 6 to September 14, 1972. And that list is not complete.

Mr. O'HANLON. Does that document you have there give the dates that you talked to these people?

Mr. LIFFLANDER. Oh, yes. Take a look at this.

Mr. O'HANLON. Do you have a copy of this?

Mr. LIFFLANDER. No.

Mr. O'HANLON. Can I make one?

Mr. LIFFLANDER. By all means. Let me tell you for the record how that was prepared. I asked my secretary to go through my diary and pull out the names of all the Hertz people I had meetings with. I want to make it clear that is far from complete. I had many, many meetings that aren't there with other people, some of whom I can remember and some of whom I can't.

Mr. SCHULTZ. As a matter of fact, I think you indicated at the time you brought that up that you had had another meeting with Mewhinney and Murray.

Mr. LIFFLANDER. That's not on the list. That's right. Murray's name was not on the list because I just had Mewhinney down in the datebook. I know there was a meeting with—more than one with one man whose name I don't think is on the list named Murray Lewinter.

What I did, you see, was to do a lot of time interviewing various Hertz executives, so——

Mr. SCHULTZ. Mr. Lifflander, do you know an attorney by the name of Malkin?

Mr. LIFFLANDER. I think Ticktin's partner is named Malkin. I think Ticktin's partner is named Malkin, but I don't know him.

Mr. SCHULTZ. Edgar W. Malkin, M-a-l-k-i-n?

Mr. LIFFLANDER. Is he from New York?

Mr. SCHULTZ. Yes; a New York attorney.

Mr. LIFFLANDER. He's not Ticktin's partner.

Mr. SCHULTZ. I have no further questions.

Mr. SANDERS. Thank you.

[Whereupon, at 7 p.m., the hearing in the above-entitled matter was adjourned.]

TUESDAY, DECEMBER 4, 1973

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 10:25 a.m.

Present: Senator Talmadge.

Also present: Richard L. Schultz, assistant minority counsel; Richard O'Hanlon, investigator.

Senator TALMADGE. The Select Committee on Campaign Activities for the year 1972 will please come to order. As I understand, Mr. Eaton is a willing witness; is that true?

Mr. SCHULTZ. Yes, sir.

Senator TALMADGE. Hold up your hand, Mr. Eaton. Do you solemnly swear the evidence that you give to the Select Committee on Presidential Campaign Activities for 1972 is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. EATON. I do.

[Recess.]

Mr. SCHULTZ. Let the record show that Mr. Eaton is appearing before the committee today in response to a subpena that just has been served on him and pursuant to an agreement that Mr. Eaton and I had with regard to his appearance on this date preceding the formal execution by Judge Sirica of the immunity order.

The information obtained this morning in executive session, by agreement with Mr. Eaton, is not to be used in any manner, in any way, until such time as the formal order has been executed. All right?

TESTIMONY OF BARTON DENIS EATON

Mr. EATON. That is correct.

Mr. SCHULTZ. Would you state your full name for the record, please?

Mr. EATON. Barton Denis Eaton.

Mr. SCHULTZ. What is your home address?

Mr. EATON. Black Acre, Harrison, N.Y.

Mr. SCHULTZ. Do you have a telephone number where you might be reached?

Mr. EATON. Yes; TE 5-2476, area code 914.

Mr. SCHULTZ. Do you have a business address?

Mr. EATON. 260 Harrison Avenue, Harrison, N.Y.

Mr. SCHULTZ. What is the ZIP code?

Mr. EATON. 10528.

Mr. SCHULTZ. Mr. Eaton, are you presently employed as a private practitioner?

Mr. EATON. I am a private practitioner. I am employed—I am self-employed.

Mr. SCHULTZ. Self-employed?

Mr. EATON. Yes.

Mr. SCHULTZ. You are an attorney?

Mr. EATON. Yes.

Mr. SCHULTZ. Admitted to a bar in the State of New York?

Mr. EATON. The bar of the State of New York, U.S. Tax Court, Southern and Eastern Federal District Courts in New York, and U.S. Supreme Court.

Mr. SCHULTZ. How long have you been in private practice?

Mr. EATON. Since January 1, 1968.

Mr. SCHULTZ. Prior to January 1, 1968, what was your employment?

Mr. EATON. From May of 1962 to January of 1968, I was assistant corporation secretary of the Hertz Corp.

Mr. SCHULTZ. May of 1962 through——

Mr. EATON. January of 1968. A slight correction. It was approximately 9 months after I started there that I was elected to the office of assistant corporate secretary, although functionally my duties did not change at that point.

Mr. SCHULTZ. Would you describe for us the circumstances surrounding your employment with the Hertz Corp.? How did you happen to become an employee of Hertz?

Mr. EATON. At the time that I went there to seek employment, I had been a professional writer for some years. I had come to New York recently, having gotten out of the Army, and I had sort of an interim job, and I had also begun going to law school in what was called the extended division, which for practical purposes was the night division of New York University. So I could work during the day, and through the law school I went to the Hertz Corp. to see about getting a law-related position during the day. And while I was there, I happened to be introduced to Sol Edidin, who was corporation counsel and who happened to have gone to my university. I went to the University of Chicago as an undergraduate, and he had gone there at law school.

As it turned out, the position that I was seeking was somewhat over my head, because I had not been in law school that long. But somehow—I have always presumed because of my having gone to Chicago—Sol took my résumé and bucked it to someone else, who called me the next day or the day after and called me in for an entirely different and, I might add, much, much better position, which was the position that I eventually took over in May 1962; that is, assistant corporation secretary.

Unlike a lot of people with that title—there were a number of them in the organization, largely for the purpose of executing papers and so on—I actually worked primarily within the corporation secretary's office, which was the office where the corporate minutes were composed and all the subsidiary minutes were kept, and a variety of what might be called corporate housekeeping tasks were performed, which ran a sort of unusual gamut, in the sense that many things sort of ended up there that no one else knew quite what to do about, or perhaps how to perform.

In addition, my chief was sort of the right-hand man to the chairman of the board, my chief being the corporate secretary. He was the right-hand man to the chairman of the board.

Mr. SCHULTZ. Will you identify him?

Mr. EATON. Richard M. Ticktin is his right-hand man. I was sort of a left-hand man to the chairman of the board. I did many things directly for the chairman, and a number of the other top corporation officers, among them eventually Sol Edidin. Originally, he had been physically separated from what was called the executive suite, because he was off with the legal department. But eventually, as the department expanded, he came down to the executive suite floor. There were approximately 12 big offices on this floor. He occupied one of them for most of the time that I was there.

Among the other people that I ended up doing things for, especially as I got along in law school and got more and more competent in the legal area——

Mr. SCHULTZ. When did you graduate from law school?

Mr. EATON. I graduated in—let's see, May of 1966. I took the July bar. I passed that bar and became admitted December 1966. For about a year after I was admitted to the law school, I continued working at Hertz.

Mr. SCHULTZ. Where were the Hertz offices located that you worked at?

Mr. EATON. At 616 Madison Avenue, New York City. That was the worldwide Hertz headquarters.

Mr. SCHULTZ. As assistant corporate secretary, were you a corporate officer?

Mr. EATON. Yes. I was formally elected by the board of directors. I might add I was the youngest corporation officer by a considerable number of years, the next in age to, maybe, the son of the chairman of the board.

Mr. SCHULTZ. Who was chairman of the board at that time?

Mr. EATON. Leon C. Greenbaum.

Mr. SCHULTZ. As corporate officer and assistant secretary, did you take minutes of the corporate meetings?

Mr. EATON. No, I did not. Let me frame it a little bit differently. The actual meetings that were held, the real board meetings, which consisted at that time of the Hertz Corp. itself and its primary international subsidiary, which was Hertz International, Ltd., I believe was the name of it—these actually had boards of directors that got together in rooms and had meetings sitting around tables where there were agendas, discussions, things of that sort.

Those meetings, I would never sit in on them actually. However, I would often prepare pieces of them. I would write resolutions that they were to adopt. I would prepare agenda. I would set up the tables. I did everything but fill the water pitchers.

Mr. SCHULTZ. Is it a fair statement to say, then, that you were substantially aware and privy to the items under discussion and decisions made at the corporate level?

Mr. EATON. The decisions made, I was, for this reason—let me go on to the mechanics of how this was done.

I would often, as I say, write resolutions. I would often mechanically prepare the corporation minutes for each of the subsidiaries. I would distribute copies of them. I would sometimes separate out these to be sent to various people. I was in charge of the big depository where these things were kept. I always saw the end result of these things, which were the formal minutes—and I might add, it

was our practice to be as brief as possible in these minutes. Largely, they were a bunch of resolutions connected by the barest minimum of recitation so to speak. There was not a lot of philosophizing and whatnot that found their way in the minutes. My chief would often keep little handwritten notes, little letters, various other things, connected with the minutes, that underlaid them.

Each meeting had a separate folder at that time. Ticktin was a very meticulous kind of guy. He was very, very detailed and an extremely hard taskmaster in terms of details, things of that kind. He was a very closemouthed guy.

In any event, he was always very, very sure to do everything in exactly the proper manner. He kept a folder on each meeting. I would see these things, usually long after the fact. Occasionally, I would have to leaf through them to find out something in terms of following discussions and hearing all the record, things, anything of that kind, no. The only things that I was privy to were the end results, which were perhaps distributed to maybe myself and oh, perhaps 10 or 20 other people in the organization that were not actually at the meeting, as well as the people at the meeting.

I was also privy to many, many other important documents and things that often were part and parcel of these meetings, like if we were to buy a company or employ some big executive or employ a consultant, or decide to go into some venture here or there. There would often be a lot of subsidiary documents that would cross my desk, and many of which I would create.

As an instance, there was a time when the corporation—at this point it is ancient history, so it is of no great moment—when the corporation went into the low car rental field, where they in effect opened up a budget subsidiary which had a totally different name and was ostensibly in no way identified with the Hertz Corp. There were some questions about many aspects of this, one of them being the antitrust aspects, because in effect Hertz was going after a separate market, the low budget market, so-called. There was a question, gee, could it be said that it was attempting some kind of market control, and so on.

I was asked to do a very highly confidential sort of a review of the problems generated by a corporation in effect competing with itself, not in terms of any public deception or anything of that kind. It is not uncommon for a corporation to run three, four different brands out in the public, so to speak, Pontiac, Buick——

Mr. SCHULTZ. This was your responsibility?

Mr. EATON. I might add, I have with me a listing which is my own capsulized description of my functions at the corporation, which I did up on a résumé one time, and it kind of lists in a very brief way the various activities that I was engaged in.

Mr. SCHULTZ. All right, thank you. I think we will hold this in the file for further reference.

Mr. EATON. All right.

Mr. SCHULTZ. During your tenure with the Hertz Co. from May of 1962 through January, were you in a direct reporting responsibility to Mr. Ticktin this whole time?

Mr. EATON. Yes; from beginning to end he was my immediate superior.

Mr. SCHULTZ. Mr. Ticktin was the secretary of the corporation?

Mr. EATON. Yes. During that time he was secretary. Eventually, he became vice president and secretary.

Mr. SCHULTZ. In your capacity as assistant corporate secretary, do you know or did any information come to your attention with regard to the Hertz policy relative to campaign contributions?

Mr. EATON. No; nothing was in any way indicated by anything I ever saw, heard, did, or asked to do while I was there indicating the remotest connection or interest in political campaigns as such, although there was a certain amount of noise and static all of the time about legislation pending of one kind or another, because they were very legislation conscious. There was of course a national organization, CATRALA, that sort of looked into that kind of thing. It was always upset about whether this was going to be regulated, that, or the other.

In terms at least from what we call the Kremlin, which was our little enclave there, there was no involvement of any kind. I might add, the people within the organization, at least a number of them, were extremely politically conscious in a sense. For instance, Edidin was; Ticktin was. A certain number of other people in the sense that they were of a certain political leaning. They did not make any particular secret of it. I never knew what Greenbaum was politically. Our executive vice president was pretty far to the right. One knew in passing what people's politics were.

Mr. SCHULTZ. You know of no corporate policy?

Mr. EATON. No. In fact, in none of the minutes—I not only saw all the minutes that were created while I was there, I also indexed all the minutes since 1954, since the very foundation of the corporation. One of my jobs was to index those things. I know them backward and forward. If anybody ever wanted to find anything in those minutes they had to come to me. They still do, I might add. In all that time there was nothing in any of those minutes, our official records, indicating any connection whatever with politics of any kind.

Mr. SCHULTZ. Did you make a contribution to a candidate, for any candidate for the Presidential campaign of 1972?

Mr. EATON. Yes; I made a contribution to the Muskie Election Committee, I believe it was called.

Mr. SCHULTZ. When did you make this contribution?

Mr. EATON. May of 1972.

Mr. SCHULTZ. What was the amount of this contribution?

Mr. EATON. Well, it actually totaled $1,000. It was contributed in two $500 pieces. One was $500 on my check, one was $500 on my wife's private checking account, in which she keeps funds that are totally separate from our funds, and which I immediately gave her a check for to replace. This was done at my inducement with no explanation and no details of any kind. I was simply asked for $1,000 and told to do it in that way.

Mr. SCHULTZ. You said you were asked. That was my question, whether you were solicited or whether this was contributed of your own volition. Who solicited this contribution?

Mr. EATON. I was solicited by Sol Edidin of the Hertz Corp.

Mr. SCHULTZ. Would you describe the circumstances surrounding this solicitation?

Mr. EATON. Yes. Sol called me up one day.

Mr. SCHULTZ. Could you place that in any timeframe?

Mr. EATON. In May.

Mr. SCHULTZ. Of 1972?

Mr. EATON. Yes. It was a matter of days, or maybe a week or so, before the actual contribution was made.

He asked if I could make a contribution to the Muskie Committee—well, frankly, my sympathies were about as far from Muskie as any could possibly be. But the relationship being what it was, and Hertz being the kind of client it was of mine——

Mr. SCHULTZ. Let's stop at that point. Perhaps it might be well for you to describe this relationship with Mr. Edidin and your relationship with the Hertz Corp. at this point.

Mr. EATON. Fine.

Backing up slightly, even before I went out into private practice, all during the time I was at Hertz and particularly in the latter years, I had a relationship with Sol far more than a business relationship. We were hardly father and son, but we were in many ways very friendly. He was a very intelligent guy, very reflective guy, a guy who would sit down with me and talk about sort of the aspects of the law that often law students are interested in, but practicing lawyers had lost interest in since.

Let me give you an illustration. Once he asked me to buy a book called "The Forms of Action in Common Law." It has to do with the way the procedure worked in England in the 1200's. He had an interest in legal antiquities which I shared. At one time I brought in a case that was written up in the court of William the Conqueror in Latin, and Sol Edidin sat there and read the damned thing. This was the kind of mind that he had. I admired him very much. He would often give me things to do which frequently were somewhat over my head, at least in terms of my official background, although he knew I was capable to do them. In that way, he would sort of help me along in my development and whatnot. He was always very, very friendly with me. We worked very closely together on many, many things, such as acquisitions.

Mr. SCHULTZ. Was Mr. Edidin a confidant of yours, someone you could sit down with and discuss a problem, or he with you?

Mr. EATON. He would talk with me about, say, his sons going to school, which colleges they should go to. At that time he had twin sons. We were talking about which universities they were going to.

We were never really thick in that way. I do not happen to be that kind of a guy myself.

Mr. SCHULTZ. Let me rephrase the question. Were you frank in your discussions with each other concerning business problems, this type of thing?

Mr. EATON. Very frank, as far as I knew. Many of the things I did I would only do a piece of. I never knew what was at the front or the back of them. It was not really either politic or desired that I should ask, largely because the people—very often these things were done under pressure. They were done at breakneck speed and they were terrifically important. They had huge amounts riding on them. I am talking about acquisitions, for instance, where we would buy up companies and have to reel in minority stockholders, and have to cook

up executive compensation agreements and figure out how the pension plan could work in with Hertz' pension plan. The details that went out of this were tremendous.

On the other side of it, we were a public listed company, and practically every time we went to breakfast we had to make reports to the SEC and file amendments to registration statements and amendments to the listing agreements with the stock exchanges. We were just always looking over our shoulders and looking around our flanks to make sure that we were complying with this, complying with that.

In doing this, I would often get involved in all sorts of aspects of it. As I say, never the overview. Probably, we would often have to compose language for proxy statements, compose language for SEC statements, and so on.

Mr. SCHULTZ. In May of 1972, then, you had a very close relationship with Mr. Edidin, and a certain loyalty remained to the Hertz Co.?

Mr. EATON. Let me take it forward from that. That was all while I was at the corporation. Then when I went out of the corporation I continued doing a few of the things that I had done while I was there, and they would call on me every now and then to come in and ask me where things were, what was going on in 1958 when this and that happened. They would send me litigation of various kinds and cases of various kinds, and what might be termed sort of unusual kinds of things to do for people who were not within the corporation itself.

There again, if I may back up slightly, one of the things that I did at the corporation was sort of special little oddball projects for people who were important to the corporation for one reason or another, whether they were friends of the chairman, or they were married to the chairman's sister, or the president's sister or what have you. Many of these people, I had no idea how they related to the corporation or its people. Sometimes I did just by happenstance, but I was called upon—like one time I had to buy a horse van in Pennsylvania for one of the directors. Another time I had to hire a chauffeur. In fact, I hired dozens of chauffeurs, not only for various directors, but even for some television personalities and various people who for some reason or another the corporation was indebted to, or wanted to do favors for, for whatever reason. I think out of personal friendship, because some of the people were kind of related to show-biz types.

* * * * * * *

Another time Sol called me up and said, there is this fellow that's got this problem. He is a friend of a friend of mine at NBC, I think. Could you handle it?

I said, well, yeah. Then he said, well then, bill us for it. The guy came in. He had had some small problem, someone said that he had cut them off in traffic and damaged their car. They were threatening to sue. He was someone who could not afford a lawsuit. I called these people and fixed it up very quickly and very cheaply and whatnot. And I sent a bill to Hertz for it. I never asked what the relationship was. I assume there was some reason why Hertz was paying for this thing, which obviously had nothing to do with Hertz.

I would often go to court for people, for instance, who had gotten a traffic ticket or something, because of something wrong with the Hertz car—it did not have a registration and the plate was outdated,

where technically it was their own individual problem. Theoretically they should have had their own lawyer, but Hertz would sort of furnish me for them. I would pay their fines, if any. I would get things fixed up. Then I would bill Hertz.

Mr. SCHULTZ. Where did your bills go? To the Hertz, corporate division?

Mr. EATON. Generally, they went straight to Edidin. Occasionally, they would go to divisional people because each of the divisions, rent-a-car, car leasing, truck leasing, had their own lawyer, at least in the later parts of my relationship. That is about 1970. Originally, I think everything went to Edidin.

After a while, I began dealing on occasion with people from other divisions directly, and I would send them bills directly. It just varied. Whoever sent me the case, I would send them the bill, or I would ask them how to bill it and they would tell me. Usually, it would go directly to them.

Mr. SCHULTZ. I think that describes your relationship with Edidin and with Hertz. Now, if we could return to the circumstances surrounding the solicitation for the campaign contribution.

Mr. EATON. He called me up and he said, as I said, would I contribute to the Muskie campaign. I repeated the thoughts that went through my head. I said, what the hell, I am stuck for $50 even if I would rather slit my throat than see Muskie elected.

So, I said, well, Sol, you know I'm not a rich man, and that sort of thing. He said, I'm not talking about this actually being your own contribution. He said this, and I have been attempting to reconstruct from the time since this question has come up just exactly what words, or how the words were put together that he used, and I really don't know specifically the exact words, but it was to the effect that this is one of those accommodation situations. He said that it would be handled like a situation that had occurred in the very recent past. Again, if I may back up——

Mr. SCHULTZ. Would you explain that?

Mr. EATON. A few months before, it was in the latter part of 1971, around Christmastime, he had called me up one day with one of these odd-ball requests. It was very late in the evening. In fact, I think it was even after hours; I happened to be in my office.

He said, tell me, could you get me $1,000 by tomorrow morning in cash. I think I joked with him, did he have some girl in trouble or something like that.

He said, well, this was not for him personally. It was an accommodation situation for the corporation. And again, I did not ask what the real details of it were. I thought it was a little peculiar, but he said it was important that I have it the very first thing the next morning. I assumed it had something to, perhaps, doing with the banks, Hertz having problems with checks, their bureaucracy. Often it took a century to get a check approved, things like that.

Of course, in effect, what he was asking me to do was to lend him $1,000. I said, how would it work. He said, what you would do, I want you to bill the corporation for it on a services-rendered basis. And he said, I recognize if you get paid back the money in that fashion that it will be taxed to you, so tack on to the bill an amount that will cover your taxes so that everything is OK with the Govern-

ment, or something like that, so it does not end up costing you anything.

So I estimated that, I estimated 35 percent or something, and I tacked $350 on it.

Mr. SCHULTZ. Did you, in fact, deliver $1,000 to him?

Mr. EATON. Yes; I did. I figured, well, I would get taxed on the $350 also, so I tacked on another $100 for the tax on that $350, so it ended up being $1,450. I believe I called him back and cleared that figure.

There was some discussion whether that figure was enough, or whether it was appropriate and acceptable, whether it would be all right. He said that it would, and, again, while it looks like an awfully expensive premium to pay for $1,000 in cash, I assumed that there must be some reason for it, and the corporation often did things in the upper levels in a pretty inefficient manner. I figured whatever the practical aspect that was being served by this cash business was apparently worth this $450.

Mr. SCHULTZ. This occasioned, then—there was a transaction that was in your mind, when he referred to it being done again?

Mr. EATON. So I billed them for that. He told me to make the bill out in some general way, like conferences for a certain period of time, which I did. Then they gave me the check.

Then, when he called me up about this campaign thing, he said, again, he mentioned—he asked me about the contribution. I said, well, I'm not a rich man. He said, no, he understood that I thought it was going to be, in effect, coming out of my own pocket. He said, no, it would not be like that; it would be like that other situation, or something like that, another accommodation situation, and the mechanics of it would work the same way. Again, the precise words that were used I do not really recollect.

The notion that I got was, as I had the prior time, and I had so many other times that this was something the corporation was doing for some other person. And because of what I reported previously, that is to say, the corporation's lack of political involvement, any time, it never occurred to me that this was something the corporation itself might be behind. I figured they may be in the middle as a kind of a vehicle, in the middle for someone, as they often were in these situations.

Mr. SCHULTZ. Did Mr. Edidin explain to you about the money?

Mr. EATON. He did not, and I did not pursue it. I did not inquire. It was not as though in the present posture of things, in the present point of time, so to speak. That might sound a bit odd.

Mr. SCHULTZ. At that time, you knew what he wanted and how it was to be handled?

Mr. EATON. He was in a hurry, and, again, he had a sort of breathless way of talking, anyway. Most of it was how should I deliver it, if I could get it. I said, OK, how much? He said, $1,000. I said, how do you want it? I said, do you want it in cash. No; he did not want it in cash, he wanted it in checks.

He said, could you make it in two $500 checks? Again, I did not know exactly why. I had the idea that there was something about $500. This was close to the time when the change in the election campaign law was in the wind, and April 7 had come and gone. I had

an ordinary layman's knowledge of what was going on about that law, having read very briefly; frankly, the subject sort of bored me, so I never pursued it. The change had something to do with reporting, that they were going to list contributions over a certain size, or something.

Mr. SCHULTZ. Did Mr. Edidin mention this, or was this in your mind?

Mr. EATON. No; I do not even think I thought of it at that point. After he hung up, I kind of wondered, as I often did, with these screwy requests from Hertz——

Mr. SCHULTZ. Edidin asked you for two checks for $500?

Mr. EATON. Specifically two for $500. The way I reconstructed it—it is not as though I cogitated it at any great length; I gave it some sort of passing thought. The $500 must be the limit below which people did not have to report their names, addresses, or something. In other words, it was $500 or one or more than you had to.

Although, as I say, I did not look the law up, I figured it had something to do with that new law. I also assumed that that was probably what this was being done for, that there was someone who may be in the background of the corporation, some individual person, who for some reason or another did not want any record of backing Muskie. That this, in effect—that I was serving as sort of a surrogate for this person.

I might add in a way, that would not contravene any laws or regulations or anything.

Mr. SCHULTZ. What did you do, now, in response to this request?

Mr. EATON. I got a check from my wife. I wrote out a check myself.

Mr. SCHULTZ. Do you have the canceled checks with you?

Mr. EATON. No. I do not have them; I have copies of them. The canceled checks I gave to the IRS; they wanted them, so I gave them to them and I made photocopies, which I do have here.

Mr. SCHULTZ. I wonder if you would identify them and read them into the record, please?

Mr. EATON. There is one check on County Trust Co. dated May 18, 1972, No. 53, on the account of Ann Schaeffer Eaton, who is my wife, which was made out and handed to me by her at my request, for which I immediately gave her a check back for $500 with no explanation of any kind, except that it was something that I was doing for a client.

And there is another check, No. 521, on the account of Barton D. Eaton, attorney at law, dated May 18, 1972, on Manufacturers Hanover Trust Co., for $500 payable to Muskie Election Committee.

Also, on the back, each of them is stamped. One is deposited June 2 to Chemical Bank, with no endorsement exept some number, 019029241. And the other one is canceled June 5, deposited in the Manufacturers Hanover, and it has the same number written on the back of it.

The originals of these were given to a Mr. Borokoff, of the Internal Revenue Service, who is in charge of an investigation that zeros in on the tax aspects of it from the Hertz point of view.

Mr. SCHULTZ. Do you have a copy of the check that you gave to your wife?

Mr. EATON. I do not. I do have it; I do not have it with me.

Mr. SCHULTZ. Could you furnish it to the committee?
Mr. EATON. Yes.
Mr. SCHULTZ. Would it have been dated the same date?
Mr. EATON. A few days later, a few days before; I am not sure.
Mr. SCHULTZ. May we have those copies?
Mr. EATON. These are actually my only copies.
Mr. SCHULTZ. We will have copies made and give them right back to you while you are here. Would you furnish a copy of the check that you gave to your wife?
Mr. EATON. That $500, yes.
Mr. SCHULTZ. I want to be clear in one thing. Your wife wrote out the check to the Muskie Election Committee and gave it to you?
Mr. EATON. Gave it to me, right.
Mr. SCHULTZ. With no further explanation?
Mr. EATON. No explanation whatsoever, except that this was something that I wanted done, and I would give her the $500 back. It involved something I was doing for some client.
Mr. SCHULTZ. What did you do with the two checks for $500?
Mr. EATON. I somehow got them conveyed, I believe, to Sol's office. Again, I cannot really be absolutely certain what the actual mechanics of it were, but somehow I did get them—maybe I gave them to his secretary, maybe I gave them to him directly. I am not really sure.
Mr. SCHULTZ. You would have hand-carried them?
Mr. EATON. Yes, I believe I did hand-carry them. I know at that particular time, I was pretty much in and out of Hertz a good deal of the time. I had a number of things pending, with them. I got up there—of course, I have friends up there, too, even at that time. I was in and out of there a fair amount of time. Of course, I had entree to the executives that I would just go directly in; everyone knew me, I just walked directly in.
I believe I put them in a plain brown wrapper or something and handed them to Sol. I think he told me to bring them directly to his office. I might add, the way that this was put to me, I had gotten the idea, again, not perhaps from any particular thing that he said, I found out later, when this business began in September, when originally people started asking me about this, that apparently a number of other people had been asked to do the same thing in some way.
Mr. SCHULTZ. We will get to that in just a minute.
Mr. EATON. All right. At that time, it was not put to me that this was part of some big operation or big blanket thing. I got the idea that this was a one-shot accommodation thing, like these other things that I had done, that I had just got called on because I was out there and I could be counted on to do unusual things on short notice without a lot of palaver.
Mr. SCHULTZ. Did Mr. Edidin furnish you a receipt for these two checks?
Mr. EATON. No, he did not. I was told to bill it in the same way, and I prepared a bill in the same general—using the same general terms and submitted it, and it was paid.
Mr. SCHULTZ. Did you deliver the bill at the same time that you delivered the checks?

Mr. EATON. I believe I did, but again—it may have been in the same envelope. The precise mechanics of it I am not certain of.

Mr. SCHULTZ. What was the amount of the bill?

Mr. EATON. Again, $1,450. It was based on the same formula.

Mr. SCHULTZ. Were you subsequently reimbursed, or was this legal bill paid?

Mr. EATON. The legal bill was paid; yes, that's right.

Mr. SCHULTZ. Do you know who would have had to approve that bill at Hertz?

Mr. EATON. I cannot really say that I do know exactly what the mechanics were of disbursements for legal funds, for legal fees. Generally, in Hertz, there is the main legal operation, has to do with accidents and things like that. There is a huge legal operation that deals with nothing but that, injuries done to cars, things like that.

Mr. SCHULTZ. Do you know whether Mr. Edidin has authority to fund final approval versions of checks?

Mr. EATON. At that level, for the other types of litigation, the kinds involving leases and general corporate matters like getting advice on tax, legislation, or whatever, I knew that bills went through his office. I knew he dealt with a lot of outside counsel, like our antitrust counsel.

Mr. SCHULTZ. Do you know whether he had authority to sign for final approval of the payment of bills?

Mr. EATON. You mean he alone?

Mr. SCHULTZ. He alone.

Mr. EATON. I do not know whether he alone did. I suspect that probably under a certain dollar amount, he might have.

Mr. SCHULTZ. Do you know the company policy?

Mr. EATON. Let me back up a bit. Yes. I at least have an inkling of the company policy, because in my work with the minutes of the corporation, the general law firm which was D'Ancona, Pflaum from Chicago—anyway, it was at that time—periodically would submit legal fees. One of their partners was on the board of directors.

Whether it was for that reason, because of the possible conflict of interest, or whether it was because of the size of the bills, they usually would just be stupendous, they were many, many thousands of dollars. The board would approve those bills.

On other bills, for what might be termed smaller things, I cannot really say that I have any idea of the exact mechanics of what Edidin had to go through. I know they originated with him, and they were sent to him, and he was certainly the first in line. And knowing the way things work around there, generally, in the matters that were, shall we say, reportable—for instance, to the various authorities, especially the FTC, I would assume that the larger the matter involved, whether it be legal or anything else, the more fingers got into the pie.

I assume that his working relationship was, perhaps, not anything over $5,000, maybe $1,000, $2,000, and was subject to someone else's approval. I do know there were departmental budgets, for instance, that were approved periodically.

Therefore, in one fashion or another, whatever he did in the money area, which would include not only what he paid his own people, but what he would pay the outsiders. Whether they reviewed it someplace

along the line, perhaps not item by item, but if it was of any size, that type of expenditure or anything else within the corporation was certainly reviewed by the financial people, and usually someone else in the top policy area.

Mr. SCHULTZ. At the time that you delivered the checks and possibly the bill, did you have any discussion with Mr. Edidin as to what the purpose was of this contribution?

Mr. EATON. I do not even think I saw him. That may be why I cannot recall how the mechanics were the second time. I may have gone up there. His secretary—she was a woman; her name was Ellen Brown. She was Ticktin's secretary before. I knew her, she knew me, and so on.

My recollection is I just gave her this thing, and I said, this is something Sol wanted. That's how—that is how it was handled mechanically. In fact, as I recall, I do not think I ever spoke to him again after that. I believe shortly after that he left the corporation. In fact, I was informed later that at the time he was doing this, his title was actually not legal counsel any more. I just recently was told this.

He, apparently, was some special project something or other for RCA. In fact, I do not know what the relationship—I know what the relationship is between Hertz and RCA, but the relationship between Hertz and RCA in this thing, I do not know.

Mr. SCHULTZ. Did you subsequently receive a receipt of acknowledgement of your contribution from anyone?

Mr. EATON. Yes; I think I got a letter from the committee telling me what a great guy I was to have supported Muskie, something like that.

Mr. SCHULTZ. Do you know who signed this letter?

Mr. EATON. No; I do not.

Mr. SCHULTZ. Did your wife also receive a letter, to your knowledge?

Mr. EATON. She may have also; I am not sure. I do not think her address appears on here. No; it does not. Again, I do not know. Whatever I got, I just threw away.

Mr. SCHULTZ. Mr. Eaton, do you have knowledge, personal knowledge, as to the involvement of anyone else in this scheme to raise political contributions?

Mr. EATON. Personal, firsthand knowledge? No; I do not.

Mr. SCHULTZ. Are you aware that there were others involved?

Mr. EATON. I am aware now; yes.

Mr. SCHULTZ. How have you become aware of this?

Mr. EATON. I became aware in this way. I was called by the IRS people sometime in early September.

Mr. SCHULTZ. Of this year?

Mr. EATON. This year; yes. They said they wanted to see me. I said, what on earth for? Did one of my clients do something? They said no, we want to see you about you. So I said, well, I'll come right over. I did not have the faintest notion of what they wanted to see me about.

They came up and asked me about these things. In the process of their questioning, I got the idea that there was something involved here that involved many, many of these things. And, to the extent that there was a question about the legality of these deductions that the

corporation had taken as a result of the payments made in this fashion to lawyers; they indicated that there were various lawyers involved.

Mr. SCHULTZ. Have you had any conversations with any of the lawyers whose names you may have learned through the interrogation of IRS?

Mr. EATON. I did, very briefly. First, let me back up a second. So they asked me about these things; so I said, well, fellows, I can tell you so much. I am not going to tell you any more because there is attorney-client privilege and all sorts of questions here I have to answer for myself before I can freely go into any great detail about this whole situation. I told them a certain amount, and I left. I told them I would get in touch with them, which I eventually did.

I called up Sol in Washington, whom as I said I did not have any real communication with at all since this time. I said, "Hey, Sol, what the hell is going on here? What have you gotten me into?" He was, of course, very close-mouthed about it. He said something to the effect do you recognize that there is only a certain amount—I have problems of my own, and naturally your name happened to come out of my records, or something like that.

He indicated he had indeed mentioned me. He said something to the effect that there were other people who were similarly situated and they had gotten themselves lawyers and things of that kind.

Mr. SCHULTZ. Did he identify any of these individuals?

Mr. EATON. I do not know whether he mentioned specific names or not. I believe that he mentioned—I know he mentioned Lifflander and Ticktin. Lifflander apparently had some kind of a connection with this committee, the Muskie committee itself. Ticktin, I had gathered, either had perhaps made one of these things or was suspec ed, or some of his bills were suspected of being, shall we say, coverup for some of the things; because like all the lawyers who had gone into private practice—I might mention Ticktin went into private practice our of Hertz about the same time I did. I think we left the same day, by sheer coincidence.

And I guess what they did was just take all the bills that certain of the old Hertz insiders had submitted over a period of time and started scrutinizing them and tried to match them up with contributions made to the Muskie campaign committee. He mentioned that Ticktin had some laywer, so I called up Ticktin.

Mr. SCHULTZ. Before we get to that, what in detail did he say about Mr. Lifflander and Mr. Ticktin?

Mr. EATON. Something to the effect that they had been questioned, and that they had lawyers, or that they were going to be questioned, something like that.

Mr. SCHULTZ. Did he tell you that they were involved?

Mr. EATON. No, he did not. He said that they had gotten lawyers. They were involved in the sense that people were asking them some kind of questions.

Mr. SCHULTZ. Did he identify the people who were asking the questions? Did he say IRS?

Mr. EATON. That was all he was talking about at that time. In any event I called Ticktin, and I said hey, Dick, what in the hell is going on here? Apparently, he says, there is some problem. Dick,

being the kind of guy he is, and of course in this sort of posture, was very close-mouthed. He simply said well, I have gotten this lawyer; something to the effect some people have asked me questions or are going to, or something like that. He would not say who they were. Naturally I would not really press him.

Mr. SCHULTZ. Did you ask him whether or not he was involved in making a contribution to the Muskie committee?

Mr. EATON. No, I did not. You would not ask Dick a question like that.

Mr. SCHULTZ. Did you ask him whether he submitted a bill for which his services were not rendered?

Mr. EATON. No, I did not. I had gotten the idea from Sol that his bills were being scrutinized. I think Sol mentioned it. At no point did he or Dick say anything about Dick making a contribution.

Then I called up a lawyer named John Murray, who was sort of Sol's right-hand man, and——

Mr. SCHULTZ. Another former employee?

Mr. EATON. Another former employee who had recently gone on to private practice. This I just called on my own, not because of anything Sol had mentioned. I said, "Hey, John, have these guys been down on your neck or something?" He said, "Oh, yes, they have been asking us questions about our bills and things of that kind." And we have had—you know, the Hertz lawyers—Hertz had lawyers for this. The Hertz lawyers that we have gone down to see them, they asked us all sorts of questions about this bill, that bill, things of that kind, with relationship to political contributions. And they said that there is no connection between any of their bills and any of their contributions. It may be that these people—and I do not know for that matter maybe even they had financially contributed to this election committee.

First, I happen to know that politically speaking they are all of that persuasion, very much so.

Mr. SCHULTZ. Do you have any knowledge if they in fact did contribute to the Muskie committee?

Mr. EATON. No. I just got the idea. I got the idea from the gist of the conversations that the reason they were even being asked about it was apparently because their names appeared on the Muskie thing. They also, by happenstance, happened to be lawyers who periodically submitted bills to the Hertz Corp. I got the idea either from them—I guess it was from them—that some of these people sort of got some bills; that if they bore some relationship to the size of the contribution that they kind of made the connection.

John said that they were in the process, in effect, justifying every one of the bills in terms of what was done for it. A lot of these bills, you know, when you were submitting them to lawyers whom you work with who in effect were your friends, you know, you did not really spell out in any tremendous detail exactly how many hours, anything of that kind. You would say the Jones matter, the Smith matter, $500, $800. They knew what it was, so you did not really spell out in any tremendous detail.

Mr. SCHULTZ. Did you contact any other attorneys in connection with this matter?

Mr. EATON. No, I did not. Now I remember, I guess it was John.

Mr. SCHULTZ. Did Mr. Murray——

Mr. EATON. I did talk to Murray's partner who is Mewhinney. I believe he was on the other telephone or something. We were sort of in effect commiserating because they were apparently—I guess these people had come to their office, maybe caused them some embarrassment or something. They mentioned to me—in fact, now that I think of it, I believe it was them that mentioned to me—I know they mentioned Lifflander. I do not believe Sol did that. I believe the only one he did mention to me was Ticktin.

They mentioned—I guess it was Murray mentioned that Lifflander had been visited by these IRS guys, and they had come to his house, and they had parked in his driveway late at night or something and frightened his wife out of her wits and had—they said something—they had really landed on him or something.

I believe it was from them that I learned that Lifflander was in some way connected with the Muskie campaign or with some political campaign.

Mr. SCHULTZ. Have you ever talked to Lifflander?

Mr. EATON. No, I do not even know where he is, that is Mr. Lifflander. I was never very friendly with him.

Mr. SCHULTZ. Subsequent to September 1973, have you talked to Mr. Edidin?

Mr. EATON. No, I did not talk to him after that. I talked to him that one time and I got the idea as to both him and the other lawyers, that they—there were so many ramifications and implications to this, nobody was talking to anybody about anything.

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Mr. SCHULTZ. In your conversation with any of the attorneys that you just mentioned, Mr. Murray, Mr. Mewhinney, Mr. Ticktin, did they tell you they had made a contribution to the Muskie campaign?

Mr. EATON. No, none of them did.

Mr. SCHULTZ. Did any of them tell you that they had submitted a bill for services not rendered?

Mr. EATON. No.

Mr. SCHULTZ. In your conversation with Mr. Edidin, in September 1973, did he describe or tell you the purpose for which he solicited your contribution?

Mr. EATON. No, he never did.

Mr. SCHULTZ. Do you know, to this day, why?

Mr. EATON. I do not have the faintest idea. I presumed that it was for the Muskie—I guess that the Muskie people got this money—I understand the names appeared on the Muskie list.

Mr. SCHULTZ. How do you understand that?

Mr. EATON. You told me.

Mr. SCHULTZ. All right.

Mr. EATON. No one else ever mentioned that list, but for whom the contributions were beneficially—that is to say in the legal sense of beneficially——

Mr. SCHULTZ. What you are saying is you have reason to believe that the Muskie committee got the money, you do not know who really benefited from it?

Mr. EATON. Ultimately, I do not. Whose will it was that was being served by this money being given to them. As I say, my own impression was that it was some person, not the Hertz Corp., but someone

whom the Hertz Corp. perhaps was attempting to accommodate, or whatnot, that wanted my money to go there. Obviously that would not fit with this pattern that apparently involved a number of contributions of this kind. As I say, in my own experience with the corporation, it would indicate that it was not the corporation itself, because they were just not political.

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Mr. SCHULTZ. At the time that Mr. Edidin solicited your contribution in May 1972, did you know him at that time as vice president and general counsel and secretary and corporate officer of the Hertz Corp.?

Mr. EATON. That is how I knew him. As I say, I understood later he did not have that title at that point.

Mr. SCHULTZ. Did he indicate to you, at the time of the solicitation, that this was a personal favor that he was asking for, or did he ask you that—or did he tell you that this was a personal favor?

Mr. EATON. No; this was something—it was obvious that the personal relationship was behind it.

Mr. SCHULTZ. That prompted the request?

Mr. EATON. Yes; but it was obviously a thing that the Hertz Corp. was somehow involved in, that he was doing it as a corporate officer and under the aegis of the corporation.

Mr. SCHULTZ. Dick, do you have some questions at this point?

Mr. O'HANLON. I was wondering why you happened to have your wife make out a separate check?

Mr. EATON. Because he wanted it to be from two different people and I think he suggested that either it be my wife—in fact I think he did mention my wife. I do not know; he may have known that my wife and I—that my wife does have some money of her own; I do not know, I may have mentioned it to him, it may be, that around where we are, it is very often that the wives will have separate money. I think he specifically did mention my wife and not just some other person; he specifically mentioned two different $500 pieces, as I say. I just assumed that that had something to do with a minimum limit.

Mr. O'HANLON. You had your wife make out the check, that he gave you the idea that maybe your wife should make it out?

Mr. EATON. He wanted it that way. He wanted two different names on it.

Mr. O'HANLON. I see. In your previous incident with Sol, on this $1,000, was that in December of 1971?

Mr. EATON. It was at the year end; it may have been the first part of January. It was around Christmas, New Year's time.

Mr. O'HANLON. Were there any other instances of that nature?

Mr. EATON. No, not of that particular—that was the only kind of—of that particular sort of thing. There were a lot of, sort of, unusual kinds of deals, so to speak.

Mr. O'HANLON. You had been working, as I take it, as a fee attorney for Hertz?

Mr. EATON. Since I went on?

Mr. O'HANLON. Pretty regularly since you went on?

Mr. EATON. Yes. I never did have an actual retainer as such. I would bill them by the case, whatever it may be. Then there were

certain regular things that I did that I would also bill them, on sort of an hourly basis. All of my billing at the end was on an hourly basis. It may vary in terms of the exact amount that I would charge per hour, depending on how bad the case may be, whether I won or lost, the usual factor is that you figure in.

Mr. O'HANLON. That is all I have.

Mr. SCHULTZ. Mr. Eaton, we have all of the bills submitted by New York attorneys to the Hertz Corp. for the years 1971 and 1972. I am looking at the bills for 1971 which were submitted to the corporate division.

Mr. EATON. Right.

Mr. SCHULTZ. I do not find the bill for you in the amount of $1,450. Is it possible—I'm talking about 1971 now—

Mr. EATON. 1971.

Mr. SCHULTZ. Is it possible that the arrangement that you had around Christmas time was not paid until 1971?

Mr. EATON. I know it wasn't. The way I know, the bill was January 15. In fact, I gave a copy of that bill to the IRS people.

Mr. SCHULTZ. Do you have a copy with you?

Mr. EATON. I have a copy here; this is it—it is just a carbon copy. I might add, it is almost by accident that I have it; a lot of the Hertz bills I really did not keep. I usually did not keep my bills once they are paid. I throw them away.

Mr. O'HANLON. You do not have a copy of the bill that was submitted in May?

Mr. EATON. I do have one—I got that from the corporation itself. This one, I made it for some reason, I gather I was instructed to send it to him and he was a rent-a-car person.

Mr. O'HANLON. Can you leave both of these with us?

Mr. SCHULTZ. We can make copies. Would you identify, in fact, would you read into the record, your copy of the bill you submitted for January 15?

Mr. EATON. There is a bill of January 15, to the Hertz Corp., attention S. M. Edidin. Consultations on various rent-a-car division matters, exclusive of collections and litigation, for the period of July 1 to July 31, 1971, $1,450.

A bill to the Hertz Corp. dated May 11, 1972, consultations in addition to ordinary rent-a-car and car lease collection matters, January 1, 1972, through April 30, 1972, $1,450.

I might add the rent-a-car and car leasing collection, and these other collection matters, that are indicated here, that was something that I kind of did on a regular basis for them up to that point.

Mr. SCHULTZ. Your recollection earlier was that you may have submitted the bill for reimbursement at the same time.

Mr. EATON. I object to the term "reimbursement." I know what you are getting at.

Mr. SCHULTZ. Phrase it in the terms that you—that you would subscribe to.

Mr. EATON. I would use that term, but I would simply use—I would put in quotes, whether it is actual reimbursement in the sense.

Mr. SCHULTZ. You were paid for services rendered. The services you have rendered were to write two checks for $500 to the Muskie people?

Mr. EATON. Whether that service rendered is a reimbursement, is open to—to pay it, the net effect was, I suppose, that.

Mr. SCHULTZ. Mr. Eaton, I show you a copy of a Hertz check, payable to you in the amount of $950 bearing the date May 22, 1972, and ask whether you have knowledge as to whether this bill was in any way connected with your contribution to the Muskie committee?

Mr. EATON. No; I do not believe so. I had a lot of bills from them, rather to, Hertz. The date on this other one is May 11; this is May 22. That kind of puzzles me, why that was dated that way; this is certainly closer to the date.

Mr. SCHULTZ. Did you send that one bill in, one bill only, for the two $500 checks, in contribution to the Muskie Election Committee?

Mr. EATON. It is my recollection that I did. I presume this bill here——

Mr. SCHULTZ. This is a bill that is located in the corporate division of legal bills for 1972.

Mr. EATON. Are there any other bills associated with this?

Mr. SCHULTZ. I have other bills for 1972, this is one that seemed to fit into the May time frame that I wanted to get your recollection on.

Mr. EATON. It is my recollection that this bill for the $1,450, is the one that was submitted for the Muskie business. Now what this May 22 bill may have covered, I would have to investigate. If there was a $500 bill with it, in some fashion, it would add up to the $1,450, but that would not account for this other one. I am sure that I was paid $450 because it was done in exactly the same amount and on the same basis as the prior one. What that would refer to, I really do not know. Frankly, I had so many things going with them that I could not say specifically what that might refer to.

Mr. SCHULTZ. Let me ask you this, were there any other occasions where, by way of accommodation, you submitted bills which might lead you to some confusion as to the specific bill relating to the Muskie contribution?

Mr. EATON. No. The only accommodations involving giving money to people, were these ones that I have described.

Mr. SCHULTZ. The one around Christmastime of 1971 and May of 1972?

Mr. EATON. I am just wondering whether there could have possibly been two of these cash things. That May 22 bill that you have there, I do not have a copy of. I have not seen it. It is obviously my bill, just right offhand I cannot really tell what it refers to, its generality is of a nature similar to these. There may have been two of these cash things. It may be, you know, that the two meshed together in my mind. But if there were, and that one is the bill, I know the date on that one would certainly be a date that would be more appropriate than this May 11. Ever since I've gotten this, I have been wondering about this May 11 date. I thought it might be a typo or something.

Mr. SCHULTZ. Off the record.

[Discussion off the record.]

[A brief recess was taken.]

Mr. SCHULTZ. Mr. Eaton, I hand you a bill dated May 10 for $500 which was handled by the corporate division, if that refreshes your recollection?

Mr. EATON. Could I see that other one, that one for $950? [Pause.]

I think what is obvious here, they were actually, I think three of these transactions—yes, I think what it is, is this. There apparently was a second cash transaction in May of 1972, which was in addition to the one in January of 1972 and that later in May, or this one, billed May 11th, may even have taken place sometime in April.

Later, in May, at the time of the Muskie contribution, the reference made to the prior transaction was the one that had taken place perhaps earlier that month, or within a few weeks before that. And the billing on that, instead of being in one piece, as I had thought from what I had in my hands, it was obviously broken down into two pieces—two bills, $950 and $500.

Now that I think of it, the reason probably being that this prior one, if another one had come in so close in time at a figure of $450, it might look peculiar to whoever it is that had to put his initials on this stuff, besides Edidin. But I do notice that each of these has Edidin's approval on that, and his approval only. Now, as I remember, I used to approve bills in this fashion. When I did it in this fashion, nobody else passed on it.

Mr. SCHULTZ. Let me ask this.

Mr. EATON. Wait a second. The one dated May 10th and the one dated May 22 are worded in such a way that they are apparently for things that did not actually take place, at least in the form described—you know, the conferences respecting corporate mergers and acquisitions in prior years. We would have conferences occasionally, 2 minutes over the telephone. The same with the consultations involving the corporate recordkeeping system. They are equally fictitious. I say those descriptions are not correct descriptions. The actual services underlying this work, the $1,000 contribution.

Mr. SCHULTZ. It is your recollection that after reviewing these bills, that the May 22, 1972 bill in the amount of $950——

Mr. EATON. Yes, and the one of May 10——

Mr. SCHULTZ. May 10, 1972, in the amount of $500?

Mr. EATON. Was submitted simultaneously and were only broken down in terms of—I do not know whether I was instructed to do that, or whether I did that just of my own accord, because I had a notion, you know, that this might float in front of the financial people, there may be some question as to why this one was exactly the same amount as one a few weeks before.

Mr. SCHULTZ. These two bills represent your billing for the $1,000 that you and your wife contributed to the Muskie campaign?

Mr. EATON. The Muskie thing. As I say, they apparently follow close on the heels of a prior cash situation. Now that I think of it, there were apparently a few of these cash situations, as I say, apparently when he was referring to it, what he was referring to was not the one in January, but the one that had taken place a short time before.

Mr. SCHULTZ. Do you have any recollection of the cash accommodation that you made in, apparently, April or May, based on your May 11 bill?

Mr. EATON. No; I do not. The only thing that I can say——

Mr. SCHULTZ. Was it a contribution for the Presidential campaign of 1972?

Mr. EATON. No; it was dollar bills in an envelope. As I say, frankly, the two of these—you know, run together somehow in my mind. I had placed them in my mind as a single one in January. In seeing these papers, and I might add that it is based only on these papers, I have to assume that there were actually two trans—cash transactions.

In fact, I do recall, and I, again I had thought that it was a cash—the first cash transaction—but I do recall when I delivered cash at one point, one of these $1,000 things, that I took it to the Rent-a-Car Division and just why I recall that I do not know.

Mr. SCHULTZ. The May 11 bill, because it went through the Rent-a-Car Division, as opposed to the corporate division, refreshes your recollection?

Mr. EATON. Let's put it this way, I had remembered when I took what I thought was the only cash transaction, that I had taken it to the rent-a-car section, again, by instruction. I do not know who I left it with. I think, again, I must have left it with one of the secretaries.

One of the problems about trying to recall these things is, you know, I had so many dealings with Hertz, I was in and out all the time, in terms of figuring out just when and where I was at a given time, it is hard to.

These two transactions, which you know in looking at these papers obviously there are two separate transactions besides this other one, because I know these two are worded——

Mr. SCHULTZ. You are referring to the May 11, 1972, and the January 15, 1972, bills?

Mr. EATON. Right, They are so close in their contours and the way that they are put together, I had just sort of amalgamated them into a single transaction, but apparently there were two separate ones because of the May 11 one being so close to this one, I am sure that that is the reason that this one was broken down in the way that it was.

Mr. SCHULTZ. You have provided to the committee, and we will make a copy of this, your bill for May 11, 1972, which you now feel was for the purpose of raising cash as accommodation?

Mr. EATON. Right.

Mr. SCHULTZ. This bill went to the rent-a-car division. I hand you a bill in the amount of $1,450 and I do note that the check request was made on May 11, 1972. Can you tell me, from looking at your bill and this bill that I hand you, whether or not this was for the same situation? It only says May 1972, it is in the amount of $1,450. What I am thinking is that these bills may be one and the same.

Mr. EATON. Obviously they are. Wait a minute. I notice the check number is the same. Oh, yes, wait a minute. Let me think a second here. You see one of these checks, you see, I think is manually prepared. I notice the number is exactly the same. One has obviously—you see, one is done like an automatic typewriter or something.

Mr. SCHULTZ. I see the print.

Mr. EATON. The other one is a more manual type. I do not know the reason for that. Obviously if the check requests were dated and there's a name I'm not familiar with here, one of the financial guys. I do not know why, they are obviously duplicate checks, but they are different checks, but they are duplicative.

Mr. SCHULTZ. Let me ask you this, does the check that you are now looking at—the copy of the check that you are now looking at—in the amount of $1,450, represent a campaign contribution to the 1972 Presidential campaign?

Mr. EATON. No; it does not.

Mr. SCHULTZ. So that we are both clear, it is your statement, after refreshing your recollection with the bills shown to you that the May 10 bill in the amount of $500 and the May 22 bill in the amount of $950 represent the total amount of $1,450?

Mr. EATON. Right, for the Muskie campaign.

Mr. SCHULTZ. In support of your $1,000 contribution to the Muskie committee?

Mr. EATON. That is right; yes, and they were broken out that way, as I say, probably on instruction from Edidin.

Mr. SCHULTZ. Do you have any clear recollection of your discussion as to this procedure or technique?

Mr. EATON. No; I do not. It was to the effect, I know the two $500 checks were to be submitted separately. I was to bill it in the same way that I had billed it on the other transaction. Everything was related in terms of the mechanics and the amounts, to the prior transaction—which as I say that was the January 1. Now, when seeing these, there were obviously two of them. He was referring to the early one in May, or perhaps around the first of that month. Whether he specifically told me to break it into two different bills with different dates on them, from the looks of it I suspect he probably did. The precise wording is my own—he said word it in some general way, conferences relating to something or other, or something like that. The wording is my own, as I say, the technique of the two $500 checks were specifically his. Breaking it into two bills may have been by his instruction, or it may have been just on my own hook.

Mr. SCHULTZ. The $450 in excess of the $1,000 contribution, is to accommodate you for your income tax—an obligation on the $1,000?

Mr. EATON. Yes; on none of these was there any idea that anyone was making any money on it. In fact, it was obviously someone being put to a bit of trouble and a pain in the neck. Whether I ended up making any money or losing any money, I do not know if the mathematics actually worked out, but that was the idea of the extra $450.

Mr. SCHULTZ. Mr. Eaton, do you know whether Mr. Ticktin provides legal services for the Hertz Corp. on a regular basis?

Mr. EATON. Whether he does now, or not, I do not know.

Mr. SCHULTZ. Let me rephrase the question. Do you know whether or not, in May of 1972, Mr Ticktin provided legal services for the Hertz Corp.

Mr. EATON. I know from hearsay. When I spoke to John Murray, he mentioned that Dick did, because John had stayed there after Dick and I had left, and I had said to him something like, you know, I had talked to Dick before that, and John said something like, "Well, I know he did do various things for the corporation. And he probably is stuck the same way we are in terms of the bills suddenly being scrutinized with relation to this thing." So it was from John, but talking to Dick himself, he never mentioned anything about anything he did for the corporation.

Mr. SCHULTZ. You do have information that not only Mr. Ticktin, but also Mr. Murray did work on a regular basis—or as needed—by the Hertz Corp.?

Mr. EATON. It stood to reason because we knew all the ins and outs of the business and so on. Of course, we had fellow attorneys who were friends, too, so they would refer things to us if they thought we could handle them.

Mr. SCHULTZ. Do you have any knowledge whether Mr. Mewhinney provided legal services?

Mr. EATON. John and Larsh were partners. They have a firm. When I talked to John he mentioned that they had, in fact, up until that time, I did not even know whether they had continued working for the corporation, although I assumed they did, and he did say they had various bills with the corporation. And they had spoken to these lawyers that the corporation had on this matter, and were prepared to show them in detail what all these things were for. They regarded it as an awful pain in the neck.

Mr. SCHULTZ. Do you have knowledge whether Mr. Lifflander provided legal services for the Hertz Corp. in May of 1972?

Mr. EATON. No; I did not know what he did. John did not mention that he worked for the corporation. The only one he specifically mentioned was Ticktin.

Mr. SCHULTZ. Do you know or are you aware of the procedure by which outside attorneys are selected to do work for the Hertz Corp.?

Mr. EATON. In my own experience it is usually the inside lawyers will get a given problem, and they know somebody—they have their friends; they have their prior acquaintances; they have people on their staff whom they know are specialists in a given area who are good for a given thing that can be relied upon to handle, you know, whether it is a legislative matter, a litigation matter, or a matter of dealing with a government agency perhaps.

Mr. SCHULTZ. Who in the Hertz Corp. sent work to you?

Mr. EATON. Eventually—it started off with Edidin; then gradually as the other lawyers became a little more autonomous, things started being delegated to them. They would send it directly to me. I got things from Dufficy, who is a truck division man; things from Mewhinney; someone called Sy Glansner, he was a truck division man, too; L. Wanamaker.

Mr. SCHULTZ. What was Wanamaker's capacity?

Mr. EATON. He was John Murray's assistant. He succeeded to John's position when John left, which I think was a little more than a year ago.

Mr. SCHULTZ. What was Murray's position again?

Mr. EATON. He was rent-a-car counsel. I got things from him while he was there. I got things from Mewhinney while he was there. I got things from L. Wanamaker, and quite recently I got a couple of things from Joe Alderman—what, I don't recall right offhand.

And eventually, and they sent them to me because they knew that I was a good litigator, and I was not tremendously expensive. They would send things to me that they would not send to the big monster firms that charged them $700 an hour, that sort of thing, I would get the small litigation, those things that a one-man job could handle; things that did not have to involve a dozen research associates, things of that kind.

Mr. SCHULTZ. Do you know whether or not Mr. Edidin had final approval on the outside attorneys that were utilized?

Mr. EATON. I cannot say that I know in any very direct way in the sense of having spoken to him about it. I know he was the chief honcho on the legal side in terms of retaining law firms and a liaison with outside law firms on the big matters. I know he handled it. I also know there were some big lawyers on the board of directors. In given instances, undoubtedly, for some very, very big piece of maybe an antitrust thing or some big project or something, they may have put in a word for their friends.

On the day-to-day basis, on the everyday litigation matters that were short of what might be called monumental cases, without a doubt Sol Edidin was the man who retained the lawyers or got people to retain them; because you know they were operating all over the country. If you have to get a lawyer in Miami, you might call a friend of his there—do you know a good ICC man in Miami, antitrust, zoning man. That is the way the law business works. Of course, it is a friend of a friend basis in many cases.

Without doubt, he was the man on the firing line. He would, I am sure, get people through his subordinates, too. In fact, one time he came to me and he wanted me to hire a lawyer. I forget whether it was for something inside or something outside. He wanted me to do the legwork to get a lawyer who was black, for some reason. Again, I never knew the reason why. I beat bushes all over the place trying to get a lawyer, a Negro lawyer, and I could not.

I spent a day at it or so, and I reported back to him. That was the end of it.

Without a doubt, in terms of the overall legal function inclusive of hunting these guys up or having them hunted up and figuring out how to pay them and authorizing their payment either by himself or in consultation with others, he was the first and last word in the whole legal area.

Mr. SCHULTZ. Mr. Eaton, have you been billed by the Hertz Corp. for a return of the $1,450 which you submitted in the form of a bill?

Mr. EATON. Yes; I have been billed for $2,900, bills in total. They have not billed me. They have demanded return of it. In fact, as I see these transactions here now, I suspect they will probably bill me for an additional $1,450, because they apparently—like I have a notion that there were two of these things. Apparently there are three of them now.

The way that occurred, when these people originally questioned me in early September, I called up the Hertz Corp.—in fact, I called up L. Wanamaker. I said at the same time I called Murray and Edidin and so on, I said what the hell is going on? What are you guys doing? He said well, I do not know anything about it. Our law firm is thus and thus. I know there is this inquiry going on. Talk to these guys.

So I called them up. I said you know, I do not know anything about this. I gather that I am kind of in the middle of something here that is of a totally different character than what I had originally anticipated it to be.

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The next thing I knew I get a letter from Hertz saying "Dear Mr. Eaton, we understand that we gave you $2,900 for which you did not do anything. We want it back."

Mr. SCHULTZ. Well, only the $1,450 represents the Muskie contribution?

Mr. EATON. Right. The other thing was a cash business, the details of which I do not know. They have maintained that position. Again, I called the lawyers and said—look, I know you guys have your problems. I cannot blame you for adopting postures and whatnot. Are you really serious about this, because if you are, you are going to have one hell of a fight on your hands because you are not getting 29 cents from me, let alone $2,900.

I also pointed out to them in my estimation by the elementary rules of agencies, specifically the rules dealing with a parent agency, if their agent, or a parent agent who was Edidin, was doing something they supposedly did not know about, they had to look to him for reimbursement, not to me, because I had relied on good faith on whatever he was doing, however peculiar it might look, because it did not look peculiar to me in the context of all the peculiar dealings I had had with them over the years anyway.

That is still going on. All they have done is taken me off all the cases. We have come to an uneasy settlement in order to move the litigation along. [Pause.]

As I say, they have not specifically billed me for it. They are theoretically demanding it back. They have made a demand. I have told them what they could do with their demand. That is how it stands. I have been dismissed from all litigation. I returned the raw files to them. I am finished with them as outside counsel or as an outside counsel on a favored list, and presumably they are in a posture where theoretically they are going to sue me for return of the $2,900, at which point I will sue them for, of course, many things over and above $2,900.

Mr. SCHULTZ. Mr. O'Hanlon, do you have any questions?

Mr. O'HANLON. Just one. Your second prior transaction, which is in relation to the 11th of May, the $1,000 one, was that—who was that with as far as the Hertz Co. is concerned?

Mr. EATON. Personally?

Mr. O'HANLON. Yes.

Mr. EATON. I have a recollection of delivering the envelope and money to the rent-a-car division. I was puzzling in my mind when I was thinking in terms of the first one as to just why it had been done that way. But the second one, it may have come directly from Edidin. It may have come directly from someone in rent-a car. * * * I just have to confess to a certain amount of confusion of the two in my own mind.

There is no doubt in looking at these papers that you have showed me that there were indeed three transactions in all. I am sure that there were two cash and one election. There was certainly only the one election. But I just have to confess to confusion in a nonconscious amalgamation of these two cash transactions in my own mind.

Mr. O'HANLON. The May 11th one was also $1,000 that you in turn delivered?

Mr. EATON. Yes.

Mr. SCHULTZ. You do not know the purpose?

Mr. EATON. I do not know the purpose.

Mr. SCHULTZ. Could it have been for the purpose of a contribution to the Presidential campaign of 1972?

Mr. EATON. It could have been for anything.

Mr. SCHULTZ. What I am getting at is that you were not told?

Mr. EATON. I do not have any idea. As I say about the cash transaction in general, and I should say transactions in general in the plural, I know that the first one which I remember specifically was from Sol. And I remember it more vividly because, of course, they had never asked anything so screwy of me before. They had made some screwy requests, nothing quite like that.

I had somehow associated it with their just having a problem about physically getting cash. I knew that Hertz had bank trouble getting $1,000 or so; it had something to do with check approvals or something.

Again, I happened to know from their internal workings there that some of these influential people were sort of the little old lady type. It may have had something to do with having designed umpteen different forms or whatever. As I say, I never really inquired about that matter, or for that matter, anything else, except to the extent that it was necessary for me to understand what I had to do. That was the end of my inquiries.

Mr. SCHULTZ. One final question. Do you have knowledge whether anyone else in the Hertz Corp. or the RCA Corp. knew of your arrangement with Mr. Edidin to contribute $1,000?

Mr. EATON. No. I have no specific knowledge of anyone else who was aware of it, but I know the way the organization worked. I could understand him doing something like that.

Mr. SCHULTZ. When you say "him," you mean Mr. Edidin?

Mr. EATON. Edidin. It was only one thing for $1,000, but if it involved many such things which in total adds up to a lot of $1,000 increments, knowing the way that organization worked, he could not possibly have been doing it on his own hoof, not to mention the fact that knowing Sol, he is simply not that stupid that he would do something on that kind of his own hoof; in other words, without somebody approving of it.

Mr. SCHULTZ. You have no personal knowledge that he had any direction?

Mr. EATON. I can only speculate on what I know.

Mr. SCHULTZ. Your experience with the company?

Mr. EATON. Yes.

Mr. SCHULTZ. I have no further questions.

[Whereupon, at 12:25 p.m., the hearing in the above-entitled matter adjourned.]

Reference will be made in chapter 4 of the final report to the following Muskie exhibits.

MUSKIE EXHIBIT NO. 1

The Hertz Corporation
Interoffice Letters Only

To		*Address*	660
From	L. A. Massad	*Address*	660
Subject	Authorized Signers	*Date*	July 11, 1973

Attached is a schedule(s) (two copies) of the individuals authorized to approve vendors invoices, expense reports, and requisitions for supplies for the areas(s) under your responsibility.

Please have the individuals indicate their signatures on one copy of the schedule in the space provided, return to me, and inform me whenever any changes occur.

The schedule indicates alternate authorized signers in the absence of individuals with primary responsibility. Secretaries should not sign the signatures of authorized personnel. Facsimile signatures (rubber stamps) should not be used.

All payments must be signed by two responsible employees. One of the employees must be an authorized signer.

Payments made to vendors or third parties applicable to an individual employee, such as dues for memberships in professional organizations, books and periodicals, medical examinations, service vehicle expense, complimentary car rentals, etc., should be approved by the persons designated to approve expense reports.

Payments made by Office Services Department for xerox and multilith supplies, messenger service, and postage will be charged to the area receiving benefits for same without obtaining approval of the person designated as authorized signer. These expenses will be approved by Max Potter. Questions relating to unreasonable charges for these items should be related to Max Potter.

All payments for temporary help used at 660 must be approved by R. Kahn, (or his designee) as well as the authorized signer of the area being charged.

All payments exceeding $10,000, except for taxes, bank transfers and advertising, must be approved by S. Riddleberger (commencing effective date of employment), and in his absence E. S. Kauffman or J. A. Hewitt.

L. A. Massad

LAM:lj

cc: J. L. Danch
J. A. Hewitt
E. S. Kauffman
K. Lawrence
M. Lunenfeld
M. Potter
S. Riddleberger
R. Rybicki
M. Sherlock

A complete set of the schedules indicated above will be sent to you after they are received from the respective department heads.

Regional & Zone Managers
Regional & Zone Controllers

Rent A Car Division

W. J. Cooper

New York

Rentals To Political Campaign Organizations

May 2, 1972

In a previous memorandum sent out on this subject it was stated that the national campaign requests for rentals were to be approved by Mr. S. Edidin. This procedure is now being changed. Effective immediately, please do not accept reservations for this type of rental before contacting the writer. In general, because of situations in the past and our inability to collect, it has now been determined that we should require a substantial deposit before making these rentals. Generally speaking, the rentals should be estimated as to amount and a deposit requested in relation to that amount. If you have any difficulty with regard to this, please contact the writer.

W. J. Cooper

WJC:st

cc: F. Olson
J. Alderman
G. Wanamaker
R. Rybicki
A. Stellmach

R. Rybicki — Oklahoma City

W. J. Cooper — New York

Charge Privileges To Political Parties — January 19, 1972

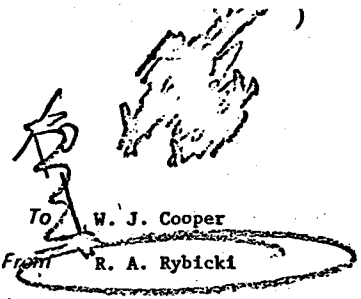
Bob, again lets field each one as they come. Edidin is still our clearance point.

For your information, Muskie's organization has requested about thirty Authorized Rep Cash Cards. I have discussed this with Edidin and we are not going to issue these cards to them. Edidin will approach the organization for a cash deposit before issuance.

Any requests you may get should be referred to Edidin with a copy to me.

W. J. Cooper

WJC:et



152

The Horte Corporation

Interoffice Letters Only

To W. J. Cooper — Address 660 Madison

From R. A. Rybicki — Address OKC Data Center

Subject Charge Privileges to Political Parties — Date December 20, 1971

In reply to my memo to you of September 17, I believe you indicated verbally to me that all request for charge cards to political parties should be cleared through Sol Edidin's office.

Walt, I believe we are rapidly reaching a point where we will have to receive Division policy on charge privileges with or without charge cards that will be requested by the political parties, news media, etc.

I understand that reservations are being made for the Republican Convention in San Diego in August and I am sure that we will receive similar requests as the primaries become active early in 1972.

Would you please discuss this with the appropriate people and advise us as to the proper guidelines.

R. A. Rybicki

RAR:jf

City Managers

W. J. Cooper

Rental To Candidates Or Organizations Supporting Candidates For Election To Political Office

Rent A Car Division

New York

August 15, 1971

This area of our business has always been hazily defined as to procedures. In the past the corporation has had some difficulty in this asea. The Hertz Corporation is not alone in this problem. Please read the attached articles.

In an effort to bring clarification and order, the following procedures are now in effect:

1. Normal credit procedures should apply to rentals.

2. All requests for rental of vehicles over an extensive period of time to candidates running for national office or to organizations established to support candidates running for a national office must be brought to the attention of Mr. Eldin, Vice-President and General Counsel.

3. In no case should any rental be made on a no charge basis.

4. Rental of vehicles to individuals running for state or local office or to orginizations created to support such candidates must be approved by regional managers.

W. J. Cooper

WJC:et
&tt.

cc: Regional Managers & Controllers
Zone " " "
S. Eldin

33-650 O - 74 - 39 (Book 25)

WESTERN AIRLINES,
[illegible], 1971.

Ref.: Your letter dated May 14, 19[illegible]
Mr. ALLAN CRANE,
Director, Bureau of Accounts and Statistics,
Civil Aeronautics Board, Washington, D.C.

Subject: Information on political campaign debts.

Western has no procedures for treating debts incurred by candidates for federal offices differently from debts incurred by others. Our experience in this area has been minimal.

Therefore, the response to this questionnaire involved the special review of the current accounts and a perusal of debts written off to see if any involved candidates for federal offices.

As to the current accounts, there are no amounts due from customers which can be identified as campaign debts incurred by candidates for federal offices.

All delinquent accounts are pursued through standard collection practices.

As to the write-offs of debts of candidates for federal office since 1962, we can identify only one such debt. A "Ticket-by-Mail" invoice for $378 was incurred in May 1968 and written off in September 1968. This invoice was related to the campaign of Senator Robert Kennedy and was incurred by Senator Ted Kennedy and a Mr. Burke.

It is not our practice to settle any debt for transportation, including any such debt incurred by a candidate for federal office, for less than the amount due. The perusal of our debt write-offs referred to above did not disclose any such settlements.

RO[illegible]ICK G. LETTS,
Assistant Treasurer and Controller.

CONTINENTAL AIRLINES,
Los Angeles, C[illegible], May 24, 1971.

Mr. ALLAN CRANE,
Director, Bureau of Accounts and Statistics,
Civil Aeronautics Board, Washington, D.C.

DEAR MR. CRANE: In response to the itemized questions in your letter of May 14, 1971, on the matter of informa[illegible] political campaign debts, we submit the following answers:

(1) There are no outstandi[illegible] campaign debts on our books incurred by candidates for Federal office from 1962 to [illegible]

(2) No campaign debts incurred by candidates for Federal office from [illegible] that have been written off [illegible] (See (3) below for partial [illegible]

(3) In May, 1968, we [illegible]sent. Right in connection with [illegible]ndi-President" campaign, t[illegible] which was $8,907.96. We [illegible]pres- the amount of $4,500.00 [illegible]irety. from "McCarthy Finc[illegible] the balance of $4,497.9[illegible] in November, 1968.

(4) We know of no [illegible]harter procedures of the [illegible]y for with respect to the bi[illegible]nt of tion of debts, incurred [illegible]nt in Federal office during pol[illegible] sofar as our own policies [illegible] concerned, where we perform a service for an individual who is seeking federal office, we apply the same policies and procedures to the collection of any resulting debt as we apply to any other person served by the Company.

Sincerely yours,

F. N. DAVEY.

EASTERN AIR LINES INCORPORATED,
MIAMI, FLA., *June 14, 1971.*

Mr. ALLAN CRANE,
Director, Bureau of Accounts and Statistics,
Civil Aeronautics Board, Washington, D.C.

Subject: Information on Political Campaign Debts Your letter dated May 14, 1971.

DEAR MR. CRANE: In compliance with the [illegible]

1. Democratic National Committee, (Hubert H. Humphrey), (Edmund S. Muskie), $208,867.12 Balance May-August, 1968.
Republican National Committee $112,823.44
[illegible] September-November, 1968

2. [illegible]

3. [illegible]

4. Eastern's policies and procedures with respect to billing and collection of receivables provide for active pursuit for payment commensurate with the type of transaction and credit terms. Accounts receivable are not normally allowed to remain on the books for more than one year after reaching collection status. The policy further provides that where there is reasonable potential for obtaining full or partial payment of the balance, collection activity will be continued beyond the anniversary date. All receivables are reviewed in year-end closing and as a normal procedure, the write-offs are reviewed by Price Waterhouse, our contract audit firm. Our policies with respect to debts incurred by candidates for Federal office during political campaigns are the same as those applied to others.

Sincerely,

J. R. LYNCH.

Mr. SCOTT. Mr. President, this amendment is intended to supersede the amendment which prohibits extension of unsecured credit by certain federally regulated industries to candidates for Federal office. The purpose is to take into account the additional technical advice and assistance provided by the Civil Aeronautics Board, the Federal Communications Commission, the Interstate Commerce Commission, and the Department of Justice.

As rewritten, the amendment would still forbid the granting of unsecured credit to candidates by certain industries, when it would permit normal credit card transactions so long as routine safeguards are in accompaniment.

The supporting data will indicate that hundreds of thousands of dollars are remaining unpaid to airlines, telegraph companies, telephone companies, and others, and that these unpaid amounts are usually written off by the companies which, in effect, amounts to corporate contributions to both political parties, which are forbidden by law.

I have that statement.

I yield back the remainder of my time.

AMENDMENT NO. 324

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON. Mr. President, the most troublesome political advertisements are TV spot commercials. Although spots can serve legitimate functions, they are also vehicles for political hucksterism, demagoguery, and superficiality.

For that reason, the Senator from Indiana (Mr. HARTKE) and I offer amendment 324 to S. 382. This amendment establishes a subceiling of 3½ cents per TV ads of less than 5 minutes duration. As a practical matter, however, the amendment applies almost entirely to ads 1 minute and under, since there is virtually no TV advertising sold in segments of more than 1 minute but less than 5 minutes. The amendment is based on the simple proposition that if a candidate wants to spend his full 5 cents on TV advertising, the least he can do is spend 1½ cents of it on longer ads which offer an opportunity for the treatment of issues.

This subceiling applies to candidates for Federal office and for Governor and Lieutenant Governor.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 324

On page 6, change the period in line 8 to a semicolon and insert the following immediately thereafter.

"provided that notwithstanding any other provision of this Act, no legally qualified candidate or person or organization acting on behalf of such a candidate in any primary, runoff, general, or special election for Governor, Lieutenant Governor, or Federal elective office shall spend for the purchase of television time in segments of less than five minutes duration an amount greater than 3½ cents multiplied by the estimate of resident population of voting age as determined in subparagraph (B) of this paragraph, or $21,000, whichever is greater."

AMENDMENT NO. 325

(Ordered to be printed and to lie on the table.)

Mr. FANNIN, for himself, Mr. TOWER, and Mr. BROCK, submitted an amendment intended to be proposed by them, jointly, to the bill (S. 382), supra.

AMENDMENT NO. 327

Mr. GRAVEL submitted an amendment intended to be proposed by him to the

M[illegible]
inter[illegible]LL PRESENTED
bill

[illegible] the Senate reported [illegible]23, 1971, he presented [illegible] the United States the [illegible]9) to require a radio- [illegible]in vessels while navi- [illegible]ecified waters of the [illegible]

[illegible]NAL STATEMENTS

[illegible]D INFLATION—DISAP- [illegible]NG INCREASE IN CON- SUMER PRICES

Mr. PROXMIRE. Mr. President, the increase in the cost of living for June, announced by the Bureau of Labor Statistics today, reaffirms that the administration's do-nothing attitude with respect to incomes policy is a costly mistake. The Consumer Price Index rose 0.5 percent in June on a seasonally adjusted basis, an increase of 6 percent at an annual rate. This figure is especially significant since the CPI rose at an annual rate of 7.2 percent in May, following several months of slower price increases.

The 6-percent rise in June was due to larger than normal increases in the price

DONALD A. PETRIE
2500 VIRGINIA AVENUE, N.W.
WASHINGTON, D. C. 20037

January 14, 1974

R. D. Bennett, Esq.
The Hertz Corporation
5601 N.W. Expressway
Oklahoma City, Oklahoma 73132

Dear Mr. Bennett:

In the fall of 1971 I did part-time volunteer work for the Presidential Campaign of Senator Edmund Muskie. The campaign management was unable to obtain rent-a-car charge cards for certain of their key people whose travel was essential to the Senator's campaign. The problem arose because of the unwillingness of the major rent-a-car companies to issue credit cards to political campaigns.

I was a former officer of The Hertz Corporation and was, therefore, asked to solve the problem. I called Mr. Robert A. Smalley who was then your President, and asked him to give charge accounts to three of the key Muskie staff members: Messrs. Charles Lander, Richard Stewart, and Anthony T. Podesta (later in the campaign Alan Baron and Harold Ickes were substituted for Charles Lander and Richard Stewart).

Because of the Hertz Policy against granting credit to political committees, I personally guaranteed the accounts of the renters named above for the period of the Presidential primaries.

It has recently come to my attention that some of their bills were not paid by the Muskie campaign and that two of the individuals involved, Baron and Podesta, have received personal bills from Hertz for rentals involved. I have asked the Muskie campaign to make good on their obligation and, although they recognize their responsibility, they are not financially in a position to do so.

Accordingly, I feel obligated to make good on my guarantee and for that purpose I enclose my check number 2406 to the order of The Hertz Corporation in the sum of $859.29 covering the following rental agreements:

Alan Baron

RA 3034789
RA 3039140
RA 3596945

Charges: $ 98.61

Anthony T. Podesta

RA 5644778
RA 5792273
RA 5853504
RA 5973558
RA 6322282
RA 6842489
RA 8784548

Charges: $760.68

Total : $859.29

Very truly yours,

Donald A. Petrie

Enclosure

cc: Berl Bernhard, Esq.

MUSKIE EXHIBIT NO. 2

June 1, 1972

Miss Ellen Brown
The Hertz Corporation
660 Madison Avenue
New York, New York

Dear Ellen:

In accordance with my conversation with Sol Edidin yesterday, I have obtained the enclosed check in the amount of $4,103.29 to pay the outstanding Hertz invoices which Sol asked me to help him collect from the Muskie committee.

I would appreciate it if you would see to it that this check is deposited appropriately and that the bills involved, which you have copies of, are marked paid.

I regret the delay in getting this to Hertz but was pleased to have been able to be of assistance.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander
Treasurer

MLL:hc
bc: Mr. Richard Kline

Anthony Podesta

RA No.	Area	Date	Amount
5627126 7 D/B	1700-11	12/9	119.45
5884017 3 D/B	1704-13	1/3	119.42
5884027 2 D/B	1704-13	12/7-1/7	15.48
5884028 1 D/B	1704-13	1/7	23.40
5884052 4 D/B	1704-13	1/12-15	94.60
5884080 3 D/B	1704-13	1/4	111.08
5884093 8 D/B	1704-13	2/14	267.43
5884117 2 D/B	1704-13	2/25	320.96
6324979 5 D/B	1830-11	1/14-17	40.71
6325780 5 D/B	1830-11	12/19-22	49.42
6331252 5 D/B	1830-11	1/23-29	103.35
			1,265.30

Total Outstanding 4,103.29

Payment Received and applied 6/6/72

MUSKIE CONVENTION COMMITTEE
1972 K STREET, N. W.
WASHINGTON, D. C. 20006

No.

May 30 19 72

PAY TO THE ORDER OF Mut Compliance $ 4133

[illegible] Dollars

For

CHEVY CHASE BANK
AND TRUST COMPANY
CHEVY CHASE, MARYLAND 20015

⑆0550⑈0133⑆ ⑈0: 10858 1⑈

DTC

(2)

A. BARON

RA No.	Area	Date	Amount
3324841 2 D/B	1310-11	12/ 1/15	321.30
2969824 5 D/B	1300-10	2/9 2/17	23.07
3050730 9 D/B	1301-15	1/22	53.86
3328731 9 D/B	1310-11	1/18	31.91
3540273 3 D/B	1324-16	1/30-2/10	86.07
3597174 9 D/B	1328-11	12/14	21.91
6327088 2 L/R	1830-11	12/18	31.70
			569.82

Bob Nelson

3001719 6 C/B	1301-15	11/9	44.00
3023673 3 D/B	1301-15	1/11-1/22	73.20
3031515 9 C/B	1301-15	11/19	22.12
3038154 3 D/B	1301-15	12/9-10	23.72
3055025 7 D/B	1301-15	2/15 2/17	32.46
5619952 8 D/B	1700-11	1/12	74.92
5645636 1 C/B	1700-11	1/8	31.46
6070756 5 C/B	1740-31	1/11	26.85
6228321 3 C/B	1830-10	9/28	48.16
7297888 5 C/B	1903-25	10/19	62.45
			439.34

B. Bernhard

2478882 6 D/B	1241-15	12/1-3	44.21
			44.21

Harold Ickes

9031276 8 L/R	2220-10	1/7	558.99
9031669 2 L/R	2220-10	2/8	392.08
9031883 4 L/R	2220-10	3/6	405.60
9032101 1 L/R	2220-10	3/31	428.05
			1,784.62

1784 72

DTG

MUSKIE EXHIBIT NO. 3

WEISS BRONSTON ROSENTHAL HELLER & SCHWARTZMA

295 MADISON AVEN NEW YORK, N.Y. 10017

JULIUS WEISS
JACK E. BRONSTON
IRWIN M. ROSENTHAL
JACOB W. HELLER
HERMAN SCHWARTZMAN
LEONARD I. WEINSTOCK
FREDERICK SIEGMUND
EUGENE SCHUSTER
DAVID N. GARELIK
ANDREW DAVZ
FRANK W. GELLER
MARCEL SHWERSOLD
ELIAS ARRAMOWITZ
EDMOND M. COLLER

RICHARD P. MOROWITZ
HOWARD L. MANN
E. COOKE RAND
HOWARD S. JACOBS
MITCHELL R. MASS
JOEL A. FELDMAN
ALAN S. JACOBS
EDWARD D. FINGERMAN

CABLE ADDRESS
WEISSRON

MATTHEW L. LIFFLAND
COUNSEL

SALE MAY 1 1972

ORIGINAL INVOICE CANNOT be LOCATED

May 18, 1972

The Hertz Corporation
660 Madison Avenue
New York, New York

For professional services during first quarter 1972, re study and analysis of Hertz domestic and international franchise agreements, including conferences with Mr. Edidin and staff

.....$1,500.00

Matthew L. Lifflander

RTP OK → RTP

PRICE	APPROVAL					
ARITH.	VENDOR			INV. NO./DATE		
REC'D						
AREA	ACCOUNT	UNIT	AMOUNT			
	7152					
		TOTAL				

JL

General Corporate

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed	Reference	Net Amount	Check Number
	May 18	1,500.00	05-0602-97600

116085

(9/70) DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed

Reference	Net Amount	Check Number 1436
5 22 72	950.00	05-0601-97844
TOTAL	950.00	

120153

CORPORATE DIVISION
ACCOUNTS PAYABLE DEPT.

DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION
660 Madison Avenue
New York, N.Y. 10021
GENERAL–DISBURSING ACCOUNT

Hertz

2-1
710

To FIRST NATIONAL BANK OF CHICAGO, ILLINOIS

CHECK NUMBER	PAY TO THE ORDER OF	AMOUNT
05-0601-97844	BARTON DENIS EATON 11 EAST 44TH STREET NEW YORK NY 10017	$*950.00*

THE HERTZ CORPORATION

DUPLICATE - NON NEGOTIABLE

C1

BARTON DENIS EATON
ATTORNEY AND COUNSELLOR AT LAW
11 EAST 44TH STREET, SUITE 1100
NEW YORK, NEW YORK 10017

May 22, 1972

To The Hertz Corporation
650 Madison Avenue
New York, N. Y.

Attn: S.M. Edidin

FOR PROFESSIONAL SERVICES RENDERED:—

Conferences respecting corporate mergers and acquisitions in prior years $950.00

PRICE	APPROVAL		INV. NO./DATE	
ARITH.	VENDOR		5-22-72	
REC'D	ACCOUNT	UNIT	AMOUNT	
AREA	2752			
	TOTAL			

General Corporate

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correcti

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed

Reference	Net Amount	Check Number
MAY 10	500.00	05-0601-97842
TOTAL	500.00 *	

1436

120151

CORPORATE DISBURSE
ACCOUNTS PAYABLE DEPT

101 (9/70) DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION
660 Madison Avenue
New York, N.Y. 10021
GENERAL–DISBURSING ACCOUNT

Hertz

2-1
710

To FIRST NATIONAL BANK OF CHICAGO, ILLINOIS

CHECK NUMBER	PAY TO THE ORDER OF	AMOUNT
05-0601-97842	BARTON DENIS EATON 11 EAST 44TH ST NEW YORK NY 10017	$*500.00*

THE HERTZ CORPORATION

DUPLICATE - NON NEGOTIABLE

C1

12341

BARTON DENIS EATON
ATTORNEY AND COUNSELLOR AT LAW
11 EAST 44TH STREET - SUITE 1100
NEW YORK, NEW YORK 10017

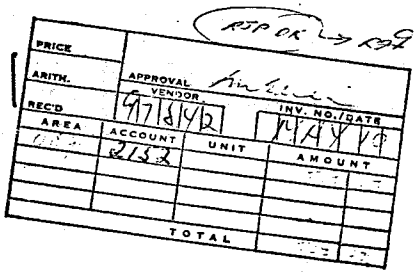
May 10, 1972

To: The Hertz Corporation
660 Madison Avenue
New York, N. Y.

Attn: S.M. Edidin

FOR PROFESSIONAL SERVICES RENDERED:—

Consultations regarding corporate legal records system $500.00



THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed

Reference	Net Amount	Check No. 1436
MAY 19	900.00	05-0601-97843
TOTAL	900.00 *	

120152

CORPORATE DIVISION
ACCOUNTS PAYABLE DEPT.

801 (9/70) DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION
660 Madison Avenue
New York, N.Y. 10021
GENERAL—DISBURSING ACCOUNT

Hertz

2-1
710

To FIRST NATIONAL BANK OF CHICAGO, ILLINOIS

CHECK NUMBER	PAY TO THE ORDER OF	AMOUNT
05-0601-97843	MURRAY AND MEWHINNEY P C 235 MAMARONECK AVENUE WHITE PLAINS NY10605	$*900.00*

THE HERTZ CORPORATION

DUPLICATE - NON NEGOTIABLE

C1

LAW OFFICES
MURRAY AND MEWHINNEY, P.C.
235 MAMARONECK AVENUE
WHITE PLAINS, NEW YORK 10605
(914) 949-7751

JOHN L. MURRAY
JOSEPH B. MEWHINNEY

RECEIVED
MAY 22 1972
J. ALDERMAN

May 19, 1972

The Hertz Corporation
660 Madison Avenue
New York, N. Y. 10021

Legal services	$900.00

Auth OK - RJF

JH

Corporate

PRICE				
ARITH.	APPROVAL			
	VENDOR		INV. NO./DATE	
REC'D	9 7 8 4 3		A V A Y 1 9	
AREA	ACCOUNT	UNIT	AMOUNT	
0041	2152		1	
		TOTAL		

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed

Reference	Net Amount	
May 17	1,500.00	05-0601-97846

1436

116083

DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION
660 Madison Avenue
New York, N.Y. 10021
GENERAL—DISBURSING ACCOUNT

Hertz

2-1
710

To FIRST NATIONAL BANK OF CHICAGO, ILLINOIS

PAY TO THE ORDER OF

CHECK NUMBER	AMOUNT
05-0601-97846	***$1,500.00******

Edgar W. Malkin
477 Madison Ave
New York, N.Y.

THE HERTZ CORPORATION

DUPLICATE - NON NEGOTIABLE

C1

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed	Reference	Net Amount	Check Number
	MAY 17	1,500.00	05-0601-97846
	TOTAL	1,500.00 *	

120155

CORPORATE DIVISION
ACCOUNTS PAYABLE DEPT.

71 (9/70) DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION
660 Madison Avenue
New York, N.Y. 10021
GENERAL—DISBURSING ACCOUNT

Hertz

2-1
710

To FIRST NATIONAL BANK OF CHICAGO, ILLINOIS

CHECK NUMBER	PAY TO THE ORDER OF	AMOUNT
05-0601-97846	EDGAR W MALKIN 477 MADISON AVENUE NEW YORK NY 10022	$*1,500.00*

THE HERTZ CORPORATION

DUPLICATE - NON NEGOTIABLE

C1

EDGAR W. MALKIN
477 MADISON AVENUE
NEW YORK, N. Y. 10022

SME MAY 18 1972

May 17, 1972

The Hertz Corporation
660 Madison Avenue
New York, New York 10021

annual please

For professional services rendered
April, 1972

$1,500.00

FR
120-60

PRICE			
AMTH.	APPROVAL	INV NO.	DT.
REC'D	97846	MAY 17	
AREA	HOURS	AMOUNT	
0090 2152		1500 00	
	TOTAL	1500 00	

corporate legal

MUSKIE EXHIBIT NO. 4

June 1, 1972

Richard M. Ticktin, Esq.
477 Madison Avenue
New York, New York 10022

Dear Dick:

Enclosed is a check of The Hertz Corporation covering your invoice dated May 23, 1972.

Best regards.

Sincerely,

SME:eb
enclosure Check No.05-0601-97841
$4,500

June 1, 1972

John L. Murray, Esq.
Murray and Mewhinney, P.C.
235 Mamaroneck Avenue
White Plains, New York 10605

Dear John:

Enclosed is a check of The Hertz Corporation in the amount of $900.00 covering your invoice of May 19.

Best regards.

Sincerely,

SME:eb
enclosure Check 05-0601-97843

June 1, 1972

Barton D. Eaton, Esq.
11 East 44th Street Suite 1100
New York, New York 10017

Dear Bart:

Enclosed are two checks of The Hertz Corporation in the amounts of $500 and $960 covering invoices dated May 10 and May 19.

Best regards.

Sincerely,

SME:eb
enclosure

050601-9784 950.
050601-97842500

June 1, 1972

Edgar W. Malkin, Esq.
477 Madison Avenue
New York, New York 10022

Dear Edgar:

Enclosed is a check of The Hertz Corporation in the amount of $1,500.00 covering your invoice dated May 17.

Best regards.

Sincerely,

SME:eb
enclosure

June 1, 1972

Matthew L. Lifflander, Esq.
c/o Weiss Bronston Rosenthal Heller & Schwartzman
295 Madison Avenue
New York, New York 10017

Dear Matt:

Enclosed is a check of The Hertz Corporation in the amount of $1,500.00 covering your invoice dated May 18, 1972.

Best regards.

Sincerely,

SME:eb
enclosure

MUSKIE EXHIBIT NO. 5

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

REPORT OF RECEIPTS AND EXPENDITURES
FOR A
COMMITTEE
SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ~~ELECTION TO THE OFFICE OF~~
PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES

DM360005 | C060872 | 011
1972 JUN 12 PM 1 28

Muskie Campaign Committee
(Full Name of Committee)

Identification Number
~~See Note *~~

295 Madison Avenue
(Street)

New York
State (If Primary, Convention, or Caucus)

New York, New York 10017
(City, State, ZIP code)

TYPE OF REPORT
(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☒ June 10 report.
- ☐ September 10 report.
- ☐ January 31 report.
- ☐ Fifteenth day report preceding _____ election on _____
  (Primary, general, caucus, or convention) (Date)
- ☐ Fifth day report preceding _____ election on _____
  (Primary, general, caucus, or convention) (Date)
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of New York
ss.
County of New York

I, Matthew L. Lifflander, being duly sworn, depose (affirm) and say
(Full Name of Treasurer of Committee)
that this Report of Receipts and Expenditures is complete, true, and correct.

(Signature of Treasurer of Committee)

Subscribed and sworn to (affirmed) before me this 7th day of June, A.D. 1972

(Notary Public) HEATHER M. COWAN
Notary Public, State of New York
No. 41-4[illegible]50 - Queens County
Cert. Filed in New York County
Commission Expires March 30, 1974

[SEAL] My commission expires _____

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

COMP. GEN. ELECTION FORM 3

~~*Identification number never received. Copy of original registration, which was properly filed, attached.~~

Name of Committee Muskie Campaign Committee

SUMMARY REPORT COVERING PERIOD FROM 4/7/72 THRU 5/31/72

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$ 9,142.26	
b. Unitemized	$ 1,060.00	
Total individual contributions	$ 10,202.26	$ 10,202.26
Part 2. Sales and collections:		
Itemize (use schedule B*)	$ None	$ None
Part 3. Loans received:		
a. Itemized (use schedule A*)	$ None	
b. Unitemized	$	
Total loans received	$ None	$ None
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$ None	
b. Unitemized	$	
Total other receipts	$ None	$ None
Part 5. Transfers in:		
Itemize all (use schedule A*)	$ 1,000.00	$ 1,000.00
TOTAL RECEIPTS	$ 11,202.26	$ 11,202.26
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$ None	$ None
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$ 3,195.98	
b. Unitemized	$ None	
Total expenditures for personal services, salaries, and reimbursed expenses	$ 3,195.98	$ 3,195.98
Part 8. Loans made:		
a. Itemized (use schedule D*)	$ None	
b. Unitemized	$	
Total loans made	$ None	None
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$ 3,136.10	
b. Unitemized	$ None	
Total other expenditures	$ 3,136.10	$ 3,136.10
Part 10. Transfers out:		
Itemize all (use schedule D*)	$ 8,900.00	$ 8,900.00
TOTAL EXPENDITURES	$ 15,232.08	$ 15,232.08
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$ 6,520.88	
Add total receipts (section A above)	$ 11,202.26	
Subtotal	$ 17,723.14	
Subtract total expenditures (section B above)	$ 15,232.08	
Cash on hand at close of reporting period	$ 2,491.06	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed to the committee (use schedule E*)	$ None	
Part 12. Debts and obligations owed by the committee (use schedule E*)	$ None	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered on a lump sum on the "Unitemized" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

Muskie Campaign Committee
(Full Name of Candidate or Committee)

Part No. _____
(Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
5/2/72	Robert Hodes (Businessman) Six Eaton Road Scarsdale, New York	Aggregate Year-to-date $	$992.26
4/21/72	Mrs. Howard W. Phillips (Housewife) 1070 Park Avenue New York, New York	Aggregate Year-to-date $	$150.00
4/26/72	Joseph Filner (Businessman) 919 Third Avenue New York, New York	Aggregate Year-to-date $	$3,000.00
		Aggregate Year-to-date $	
5/17/72	Leo Spivak (Attorney) 134 N. LaSalle Chicago, Illinois	Aggregate Year-to-date $	$500.00
5/20/72	Larsh Mewhinney (Attorney) 235 Mamaroneck Avenue White Plains, N.Y.	Aggregate Year-to-date $	$300.00
5/19/72	John Murray (Attorney) 235 Mamaroneck Avenue White Plains, N.Y.	Aggregate Year-to-date $	$300.00
5/30/72	Richard Ticktin (Attorney) 40 East 88th Street New York, New York	Aggregate Year-to-date $	$1,000.00
5/18/72	Barton Eaton (Attorney) 500 Fifth Avenue New York, New York	Aggregate Year-to-date $	$500.00

TOTAL THIS PERIOD
(Last page of this Part only)

Page 1

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

Muskie Campaign Committee
(Full Name of Candidate or Committee)

Part No. _____
(Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
5/18/72	Mrs. Anne Eaton (Housewife) 11 East 44th Street New York, New York	Aggregate Year-to-date $	$500.00
5/12/72	Irving Schwartz (Businessman) 570 Seventh Avenue New York, New York	Aggregate Year-to-date $	$250.00
4/18/72	Wm. Dean (Businessman) 155 East 73rd Street New York, New York	Aggregate Year-to-date $	$250.00
4/21/72	T. S. Murphy (Businessman) 24 East 51st Street New York, New York	Aggregate Year-to-date $	$250.00
4/12/72	Michael Thomas (Businessman) Cartier 653 Fifth Avenue New York, New York	Aggregate Year-to-date $	$150.00
4/10/72	Mrs. Felicia Roosevelt (Housewife) 885 Park Avenue New York, New York	Aggregate Year-to-date $	$1,000.00
4/24/72	Muskie Dinner Committee 295 Madison Avenue New York, New York	Aggregate Year-to-date $	$1,000.00
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	

TOTAL THIS PERIOD $ 10,142.26
(Last page of this Part only)

Page ____

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

DM 3600005 | E095872 | 006

1972 SEP 12 AM 11 44

REPORT OF RECEIPTS AND EXPENDITURES FOR A COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE OFFICE OF PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES

MUSKIE CAMPAIGN COMMITTEE
(Full Name of Committee)

Identification Number
DM 3600005

295 Madison Avenue
(Street)

State (If Primary, Convention, or Caucus)

New York, New York 10017
(City, State, ZIP code)

TYPE OF REPORT

(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☐ June 10 report.
- ☒ September 10 report.
- ☐ January 31 report.
- ☐ Fifteenth day report preceding _____ (Primary, general, caucus, or convention) election on _____ (Date).
- ☐ Fifth day report preceding _____ (Primary, general, caucus, or convention) election on _____ (Date).
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of New York
ss.
County of New York

I, Matthew L. Lifflander (Full Name of Treasurer of Committee), being duly sworn, depose (affirm) and say that this Report of Receipts and Expenditures is complete, true, and correct.

(Signature of Treasurer of Committee)

Subscribed and sworn to (affirmed) before me this 8th day of September, A.D. 19 72

HEATHER M. COWAN
Notary Public, State of New York
No. 41-5839350 - Queens County
Cert. Filed in New York County
Commission Expires March 30, 1973

(Notary Public)

[SEAL].

My commission expires _____, 19__.

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

COPY

COMP. GEN. ELECTION FORM 3

Name of Committee MUSKIE CAMPAIGN COMMITTEE

SUMMARY REPORT COVERING PERIOD FROM 6/1/72 THRU 8/31/72

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$3,400.00	
b. Unitemized	$230.00	
Total individual contributions	$3,630.00	$
Part 2. Sales and collections:		
Itemize (use schedule B*)	$None	$
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$None	$
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$	
b. Unitemized	$12.42	
Total other receipts	$12.42	$
Part 5. Transfers in:		
Itemize all (use schedule A*)	$None	$
TOTAL RECEIPTS	$3,642.42	$
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$None	$
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total expenditures for personal services, salaries, and reimbursed expenses	$None	$
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$None	$
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$284.46	
b. Unitemized	$39.11	
Total other expenditures	$323.57	$
Part 10. Transfers out:		
Itemize all (use schedule D*)	$1,850.00	$
TOTAL EXPENDITURES	$2,173.57	$
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$2,491.00	
Add total receipts (section A above)	$3,642.42	
Subtotal	$6,133.42	
Subtract total expenditures (section B above)	$2,173.57	
Cash on hand at close of reporting period	$3,959.85	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed *to* the committee (use schedule E*)	$	
Part 12. Debts and obligations owed *by* the committee (use schedule E*)	$	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "*Unitemized*" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

SCHEDULE A

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

MUSKIE CAMPAIGN COMMITTEE
(Full Name of Candidate or Committee)

Part No. 1
(Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
6/2/72	Mrs. Ralynn Stadler (Housewife) 75 Overlook Road New Rochelle, N.Y.	Aggregate Year-to-date $	$ 100.00
6/5/72	William F. Kennedy (Businessman) 26 Helena Drive Chappaqua, N.Y.	Aggregate Year-to-date $	100.00
6/7/72	Gilbert Jonas (Businessman) 215 East 80th Street New York, New York	Aggregate Year-to-date $	100.00
6/7/72	Richard Plehn (Businessman) 122 East 42nd Street New York, N.Y.	Aggregate Year-to-date $	500.00
6/7/72	Matthew L. Lifflander (Attorney) 295 Madison Avenue New York, N.Y.	Aggregate Year-to-date $	1,000.00
7/12/72	Arthur J. Levine (Businessman) Weiss, Voisin & Co. 17 Battery Place N. New York, N.Y.	Aggregate Year-to-date $	100.00
7/12/72	F. Aley Allan (Businessman) 70 Pine Street New York, N.Y.	Aggregate Year-to-date $	150.00
7/12/72	Alan N. Cohen (Businessman) 10 Rockefeller Plaza New York, New York	Aggregate Year-to-date $	100.00
7/12/72	Seymour M. Bohrer (Businessman) 345 Park Avenue New York, N.Y.	Aggregate Year-to-date $	500.00

TOTAL THIS PERIOD
(Last page of this Part only)

COPY

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

DM 360005 | EC 12273 | 0001

OFFICE OF FEDERAL ELECTIONS

[illegible] Campaign Committee
515 Madison Avenue
New York, New York 10017

Date 4 DEC 1972 1973 JAN 22 PM 3 19

ID No. DM 360005

Dear Sir:

Your report of receipts and expenditures for 9/10 does not meet the requirements for adequate reporting established by Public Law 92-225, The Federal Elections Campaign Act of 1971 and the Comptroller General's Rules and Regulations.

Please note the discrepancies listed below and take the appropriate steps necessary to ensure that your committee's next report is properly prepared.

[ ] Cover sheet incomplete. Omitted _____.
[ ] _____ reported on Part(s) _____, should be reported on Part(s) _____.
[ ] _____ reported on Part(s) _____, should be reported on Part(s) _____.
[ ] Dates of media use omitted for Part 6.
[ ] Nature of transaction incomplete or omitted on Part(s) _____.
[ ] Purpose of expenditure incomplete or omitted for Part(s) _____.
✓ [X] Occupation and principal place of business omitted on Part(s) 1.
[X] Year To date column on the Summary sheet is not complete.
[ ]

REMARKS:

✓ * Occupation in part 1 should be more specific than "b[illegible]"

We have enclosed a copy of the Rules and Regulations regarding proper reporting procedures and a list of the most common errors made in committee reports. If you have any questions regarding these discrepancies, please write or call our office.

JFS

See attached corrected sheets.

Sincerely,

Lawrence R. Sullivan

COPY

Lawrence R. Sullivan
Chief, Analysis and Investigations

Name of Committee MUSKIE CAMPAIGN COMMITTEE

SUMMARY REPORT COVERING PERIOD FROM 6/1/72 THRU 8/31/72

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$3,400.00	
b. Unitemized	$230.00	
Total individual contributions	$3,630.00	$13832.26
Part 2. Sales and collections:		
Itemize (use schedule B*)	$None	$None
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$None	$None
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$	
b. Unitemized	$12.42	
Total other receipts	$12.42	$None
Part 5. Transfers in:		
Itemize all (use schedule A*)	$None	$1,000.00
TOTAL RECEIPTS	$3,642.42	$14832.26
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$None	$None
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total expenditures for personal services, salaries, and reimbursed expenses	$None	$3,195.98
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$None	$None
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$284.46	
b. Unitemized	$39.11	
Total other expenditures	$323.57	$3459.67
Part 10. Transfers out:		
Itemize all (use schedule D*)	$1,850.00	$10,750.00
TOTAL EXPENDITURES	$2,173.57	$17,405.65
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$2,491.00	
Add total receipts (section A above)	$3,642.42	
Subtotal	$6,133.42	
Subtract total expenditures (section B above)	$2,173.57	
Cash on hand at close of reporting period	$3,959.85	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed *to* the committee (use schedule E*)	$	
Part 12. Debts and obligations owed *by* the committee (use schedule E*)	$	

COPY

* To be used only when itemization is required. (See each schedule for instructions.) When itemization is unnecessary for any amounts for that Part in total, enter a single sum on the "Unitemized" line of the appropriate Part of the Summary and be entered on any line of the Summary Report when no amount is being reported.

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

MUSKIE CAMPAIGN COMMITTEE
(Full Name of Candidate or Committee)

Part No. 1
(Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
6/2/72	Mrs. Ralynn Stadler 75 Overlook Road New Rochelle, N.Y.	(Housewife) Aggregate Year-to-date $	$ 100.00
6/5/72	William F. Kennedy 26 Helena Drive Chappaqua, N.Y.	(~~Businessman~~) Attorney Aggregate Year-to-date $	100.00
6/7/72	Gilbert Jonas 215 East 80th Street New York, New York	(~~Businessman~~) Public Relations Aggregate Year-to-date $	100.00
6/7/72	Richard Plehn 122 East 42nd Street New York, N.Y.	(~~Businessman~~) Investor Aggregate Year-to-date $	500.00
6/7/72	Matthew L. Lifflander 295 Madison Avenue New York, N.Y.	(Attorney) Aggregate Year-to-date $	1,000.00
7/12/72	Arthur J. Levine Weiss, Voisin & Co. 17 Battery Place N. New York, N.Y.	(~~Businessman~~) Broker Aggregate Year-to-date $	100.00
7/12/72	F. Aley Allan 70 Pine Street New York, N.Y.	(~~Businessman~~) Broker Aggregate Year-to-date $	150.00
7/12/72	Alan N. Cohen 10 Rockefeller Plaza New York, New York	(~~Businessman~~) Attorney Aggregate Year-to-date $	100.00
7/12/72	Seymour M. Bohrer 345 Park Avenue New York, N.Y.	(~~Businessman~~) C.P.A. Aggregate Year-to-date $	500.00

COPY

TOTAL THIS PERIOD
(Last page of this Part only)

33-650 O - 74 - 41 (Book 25)

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

DM0000010 | C042172 | 020

REPORT OF RECEIPTS AND EXPENDITURES
FOR A
COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE OFFICE OF PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES

Hustle for President Committee
(Full Name of Committee)

1972 K Street NW
(Street)
Washington DC 20006
(City, State, ZIP code)

Identification Number
DM0000010

OHIO, INDIANA
State (If Primary, Convention, or Caucus)

TYPE OF REPORT
(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☐ June 10 report.
- ☐ September 10 report.
- ☐ January 31 report.
- ☐ Fifteenth day report preceding _____ (Primary, general, caucus, or convention) election on _____ (Date)
- ☒ Fifth day report preceding PRIMARY (Primary, general, caucus, or convention) election on MAY 2, 1972 (Date)
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of Dist. of Columbia
County of Washington ss.

I, Robert L. Nelson (Full Name of Treasurer of Committee), being duly sworn, depose (affirm) and say that this Report of Receipts and Expenditures is complete, true, and correct.

Robert L. Nelson
(Signature of Treasurer of Committee)

Subscribed and sworn to (affirmed) before me this 28 day of April, A.D. 1972

Theresa H. Lambert
(Notary Public)

[SEAL] My commission expires 7/14, 1973

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

COPY

COMP. GEN. ELECTION FORM 3

STATE DC SCHEDULE NAME Contributions PART NUMBER (check) (1) (1b) (3) (3b)

COMMITTEE Muskie for President DATE 4-20-72 PAGE 1 OF 1

REG. NO. SCHEDULE A

DATE mo/da/yr	FULL NAME last	first	middle initial	MAILING ADDRESS & ZIP CODE	OCCUPATION	PRINCIPAL PLACE OF BUSINESS	AMOUNT
4/20/72	Lifflander	Matthew	L	295 Madison Ave New York, N.Y 10017	Counsel	Weiss, Bronston, Rosenthal Heller, Schwartz same YTD $ 1,000	1000 00
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	
						YTD $	

DISTRIBUTION: WHITE/Comptroller YELLOW/Secretary of State PINK/National Headquarters Accounting GOLD/State Committee Accounting

1. TOTAL THIS PAGE	1000 00
2. TOTAL CARRY FORWARD (line 3 previous page)	
3. TOTAL CURRENT PERIOD (1+2)	1000 00

MUS-1B (3/72)

Adv. J

12363

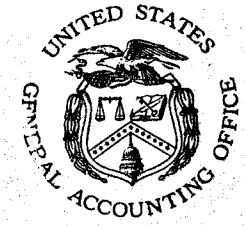
Name of Committee Hustie for President

SUMMARY REPORT COVERING PERIOD FROM April 20 THRU April 20

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$ 1,000.00	
b. Unitemized	$ 265.00	
Total individual contributions	$ 1,265.00	$ 38,922.46
Part 2. Sales and collections:		
Itemize (use schedule B*)	$ -	$ 1,126.21
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$ -	$ -
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$ (1,000.00)	
b. Unitemized	$ 59.67	
Total other receipts	$ (940.33)	$ 6,785.79
Part 5. Transfers in:		
Itemize all (use schedule A*)	$ (9,000.00)	$ 76,790.79
TOTAL RECEIPTS	$ (6,675.33)	$ 123,625.25
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$ -	$ 393.00
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$ 45,242.41	
b. Unitemized	$ 514.25	
Total expenditures for personal services, salaries, and reimbursed expenses	$ 45,756.66	$ 77,386.34
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$ -	$ -
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$ 20,437.26	
b. Unitemized	$ (100.00)	
Total other expenditures	$ 20,337.26	$ 61,969.42
Part 10. Transfers out:		
Itemize all (use schedule D*)	$ (4,942.65)	$ 7,153.35
TOTAL EXPENDITURES	$ 61,151.27	$ 231,188.11
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$ 138,725.60	
Add total receipts (section A above)	$ (6,675.33)	
Subtotal	$ 132,050.27	
Subtract total expenditures (section B above)	$ 61,151.27	
Cash on hand at close of reporting period	$ 68,899.00	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed *to* the committee (use schedule E*)	$ 17,739.88	NO CHANGE FROM APRIL 7, 1972
Part 12. Debts and obligations owed *by* the committee (use schedule E*)	$ 15,745.37	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "*Unitemized*" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

COPY



FEDERAL ELECTION CAMPAIGN ACT OF 1971

(PUBLIC LAW 92-225)

ALPHABETICAL LISTING OF 1972 PRESIDENTIAL CAMPAIGN RECEIPTS - in two volumes

VOLUME I

12365

OFFICE OF FEDERAL ELECTIONS

UNITED STATES GENERAL ACCOUNTING OFFICE

ITEMIZED CONTRIBUTIONS (PART 1) AND ITEMIZED SALES OR COLLECTIONS (PART 2)
IN EXCESS OF $100 REPORTED TO THE OFFICE OF FEDERAL ELECTIONS FOR 1972
(A L L I N F O R M A T I O N I S S U B J E C T T O A U D I T)
(SALE OR USE OF THIS INFORMATION TO SOLICIT CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE IS PROHIBITED BY LAW)

NAME OF CONTRIBUTOR				ADDRESS			AMOUNT	PART	COMMITTEE		DATE
LIEELANDER	MATT			NEW YORK	NY	10017	500.00	1	NY STATE DEM CM/NY	DM360009	12-29-72
LIEELANDER	MATTHEW	L		NEW YORK	NY	10017	1,000.00	1	MUSKIE FOR PRES	DM000010	04-20-72
LIEELANDER	MATTHEW	L		NEW YORK	NY		1,000.00	1	MUSKIE CP COMM/NY	DM360005	06-07-72
LIEORE	ROBUT			NEW YORK	NY		1,300.00	1	BUS & PROF-MCGOV/NY	DM360006	08-31-72
LIESCHULTZ	P			GLENCOE	IL	60022	150.00	2	UNITED REP FND-IL/IL	RN170004	09-22-72
LIESHULTZ	BERNARD	LEE	MR	SAN ANTONI	TX	78205	1,000.00	1	TX MCG-PRS COMM	DM480003	10-21-72
LIESHUTZ	BERNARD	LEE		SAN ANTOND	TX	78205	675.00	1	CIT-MCGOV-SHRVER-/TX	DM481006	09-01-72
LIFTON	A	J	MR	CHICAGO	IL	60607	2,050.00	2	MCGOV-PRS-ROCKFRD/IL	DM170004	10-02-72
LIFTON	NORMA	N		EVANSTON	IL		500.00	1	MCGOV-PRS-ROCKFRD/IL	DM170004	11-03-72
LIFTON	ROBERT	B	MR	CHICAGO	IL	60615	1,000.00	2	MCGOV-PRS-ROCKFRD/IL	DM170004	10-02-72
LIFTON	ROBERT	F		NEW YORK		10017	550.00	1	BUS & PROF-MCGOV/NY	DM360006	06-14-72
LIFTON	ROBERT	K		NEW YORK	NY		1,000.00	1	NJ CIT FOR MCGOV/NJ	DM340002	06-05-72
LIFTON	ROBERT	K	MR	NEW YORK	NY	10017	196.00	1	DNC ASSOCIATES COM	DM0000DU	09-19-72
LIFTON	ROBERT	K	MR & MRS	NEW YORK	NY	10028	1,000.00	2	NY-MCG-SHVER COMM/NY	DM360013	09-30-72
LIFTON	ROBERT	K		NEW YORK	NY		294.00	1	DNC ASSOCIATES COM	DM0000DU	11-16-72
LIFTON	ROBERT	K		NEW YORK	NY		588.00	1	DNC ASSOCIATES COM	DM0000DU	12-13-72
LIFTON	ROBERT	K		NEW YORK C	NY		1,000.00	1	NJ CIT FOR MCGOV/NJ	DM340002	- -
LIGGETT	FRANK			DAVIS	CA	95616	1,000.00	2	VICT 72 LUNCHEON/CA	RN060008	09-28-72
LIGGETT	WILLIAM	N	MR	CINCINNATI	OH		1,000.00	1	VICT 72 DNR COMM	RN000022	09-28-72
LIGGETT	WM			CINCINNATI	OH	45201	520.00	2	THE OH DEM PTY/OH	DM390015	06-08-72
LIGHT	A	R	MRS	PALM BCH	FL	33480	1,000.00	1	FIN COMM TO REL PRES	RN000012	11-01-72
LIGHT	TIMOTHY			ITHACA	NY	14850	10,000.00	1	MCGOV-PRES-NY/NY	DM360007	04-21-72
LIGHT	TIMOTHY		MR	ITHACA	NY	14850	200.00	1	MCGOV-PRS-TPKN CO/NY	DM361003	05-17-72
LIGHT	TIMOTHY		MR	ITHACA	NY	14850	10,000.00	1	MCGOV-PRES-NY/NY	DM360007	08-23-72
LIGHT	TIMOTHY			ITHACA	NY	14850	1,000.00	1	MCG/PRS CM TOMPKINS	DM361050	10-09-72
LIGHT	WALTER	SCOTT		SAN ANTONI	TX	78209	500.00	1	REP CONV GALA 72	RN000037	07-18-72
LIGHT	WILLIAM			CINCINNATI	OH	45230	200.00	2	THE OH DEM PTY/OH	DM390015	04-21-72
LIGHTER	WINNETTE	P	MRS	DALLAS	TX	75229	300.00	1	FIN COMM TO REL PRES	RN000012	06-20-72
LIGHTFOOT	HERBERT	C		VAN NUYS	CA		250.00	2	YORTY FOR PRES CM/CA	DM0C0005	06-07-72
LIGHTFOOT CLUB				CHICAGO	IL	60603	420.00	1	HALL-TYN ILL CC	CM170401	08-31-72
LIGHTNER	FRANCES			SPRINGFIEL	MO	65806	1,000.00	1	CIT-MCGOVERN COMM	DM000028	10-31-72
LIGHTON	ALFRED		MR	KANSAS CTY	MO		250.00	1	FIN COMM TO REL PRES	RN000012	10-05-72
LIGHTSEY	HUGH	T		BRUNSON	SC	29911	500.00	1	DEM PTY/SC	DM450001	11-01-72
LIGNDUL	ELMER		MR	DALLAS	TX	75230	200.00	1	FIN COMM TO REL PRES	RN000012	10-18-72
LIH	LARS		MR	WASHINGTON	DC	20009	262.50	1	MCGOV FOR PRES INC	DM000077	10-16-72
LIKENS	ED			DAYTON	OH	45402	200.00	2	THE OH DEM PTY/OH	DM390015	05-23-72
LIKES	HENRY			OKLA CITY	OK		200.00	1	DEM ST CTL COMM/OK	DM400001	06-09-72
LILE	R	A		LITTLE RCK	AR	72207	300.00	1	AR FC-RE-EL PRES/AR	RN050001	09-02-72
LILE	R	A		LITTLE RCK	AR	72207	1,000.00	1	MILLS FOR PRES COMM	DM000040	09-08-72
LILES JR	S	E	MR	NORFOLK	VA		1,000.00	1	FIN COMM TO REL PRES	RN000012	08-30-72
LILI	EDWARD	J	MR	MADISON	NJ		1,000.00	1	VICT 72 DNR COMM	RN000022	09-14-72
LILIENTHAL	PHILIP			SAN FRAN	CA	94123	550.00	1	SF MCG CAMPAIGN	DM061053	07-31-72
LILIENTHAL	PHILIP			SAN FRAN	CA	94123	1,750.00	1	N CA MCGOV CP CM/CA	DM061060	09-13-72
LILIENTHAL	PHILIP	F		SAN FRAN	CA	94123	250.00	2	N CA MCGOV CP CM/CA	DM061060	09-29-72
LILIENTHAL	SALLY			SAN FRAN	CA		2,054.00	1	COMM BETTER POLLS	DM061083	10-20-72
LILIENTHAL	SALLY			SAN FRANCI	CA		500.00	1	MCG/PRS N CA CAMPAIG	DM061010	07-20-72

12366

MUSKIE EXHIBIT NO. 6

June 1, 1972

Mr. and Mrs. Barton D. Eaton
Suite 1100
11 East 44th Street
New York, New York 10017

Dear Anne and Bart:

Thank you very much for your contribution to the Muskie campaign. Your support is especially appreciated at this time. I have passed it on to Washington, and I am sure you will be hearing from the Senator directly.

You will be interested to know that notwithstanding his withdrawal from the primary races, Senator Muskie intends to continue his campaign in other respects and will welcome your continued support.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander
Treasurer

MLL:hc
bc: Mr. Richard Kline
$500.00 - Mr. Barton Eaton (check Muskie Election Com.; dep. Muskie Campaign Com.) attorney
$500.00 - Mrs. Anne Eaton (check Muskie Election Com; dep. Muskie Campaign Com.) housewife.

June 1, 1972

Larsh B. Mewhinney, Esq.
Murray and Mewhinney
235 Mamaroneck Avenue
White Plains, New York 10605

Dear Larsh:

Thank you very much for your contribution to the Muskie campaign. Your support is especially appreciated at this time. I have passed it on to Washington, and I am sure you will be hearing from the Senator directly.

You will be interested to know that notwithstanding his withdrawal from the primary races, Senator Muskie intends to continue his campaign in other respects and will welcome your continued support.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander
Treasurer

MLL:hc
bc: Mr. Richard Kline
$300.00 - check Muskie Election Com; dep. Muskie Campaign Com.
Attorney

June 1, 1972

John L. Murray, Esq.
Murray and Mewhinney
235 Mamaroneck Avenue
White Plains, New York 10605

Dear John:

Thank you very much for your contribution to the Muskie campaign. Your support is especially appreciated at this time. I have passed it on to Washington, and I am sure you will be hearing from the Senator directly.

You will be interested to know that notwithstanding his withdrawal from the primary races, Senator Muskie intends to continue his campaign in other respects and will welcome your continued support.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander
Treasurer

MLL:hc
bc: Mr. Richard Kline
$300.00 - (Check Muskie Election Com; dep. Muskie Campaign Com.)
Attorney

June 1, 1972

Richard M. Ticktin, Esq.
40 East 88th Street
New York, New York 10028

Dear Dick:

Thank you very much for your contribution to the Muskie campaign. Your support is especially appreciated at this time. I have passed it on to Washington, and I am sure you will be hearing from the Senator directly.

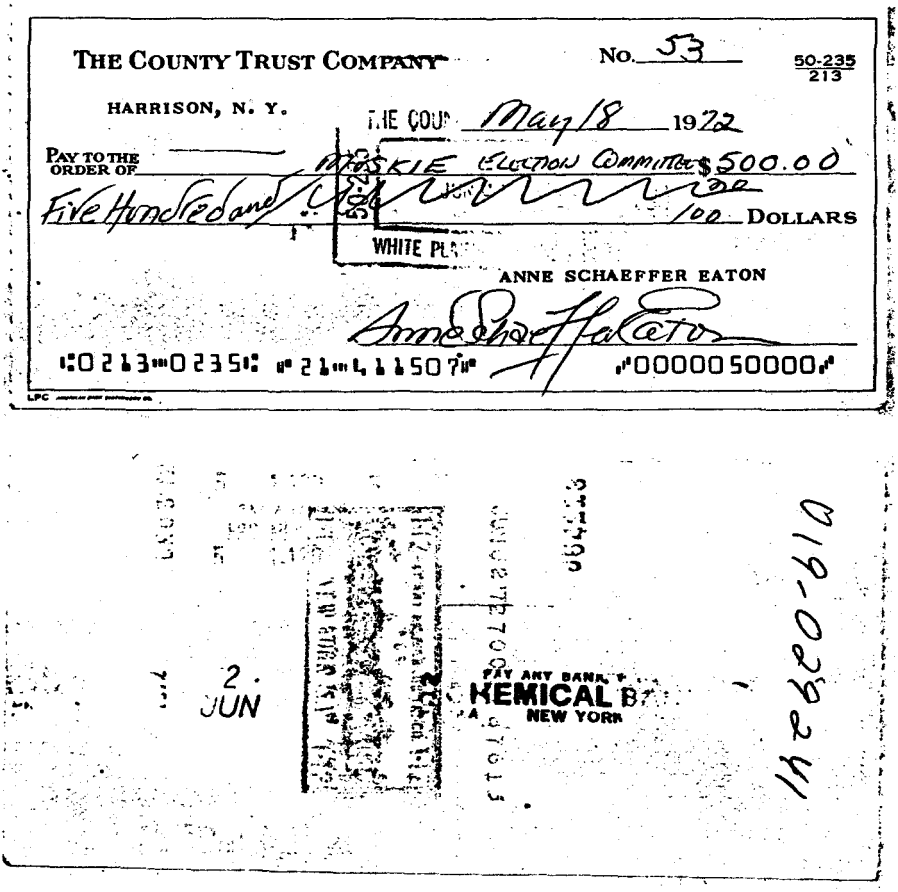
You will be interested to know that notwithstanding his withdrawal from the primary races, Senator Muskie intends to continue his campaign in other respects and will welcome your continued support.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander
Treasurer

MLL:hc
bc: Mr. Richard Kline
$1,000.00 (check Muskie Election Committee; dep. Muskie Campaign Com.) - attorney



THE COUNTY TRUST COMPANY

HARRISON, N. Y.

No. 53

50-235
213

THE COUNTY TRUST COMPANY May 18 1972

PAY TO THE ORDER OF Roskie Election Committee $500.00

Five Hundred and 00/100 DOLLARS

WHITE PLAINS

ANNE SCHAEFFER EATON

Anne Schaeffer Eaton

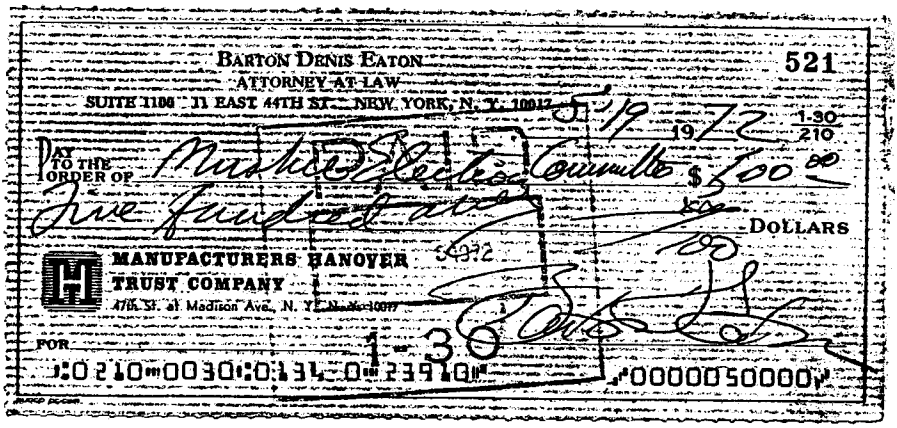
⑆0213⑈0235⑆ ⑈21⑈4116507⑈ ⑈0000050000⑈

LPC

JUN 2.

PAY ANY BANK
CHEMICAL BANK
NEW YORK

019-0392



BARTON DENIS EATON
ATTORNEY-AT-LAW
SUITE 1100 — 11 EAST 44TH ST. — NEW YORK, N. Y. 10017

521

5/19 1972 1-30 210

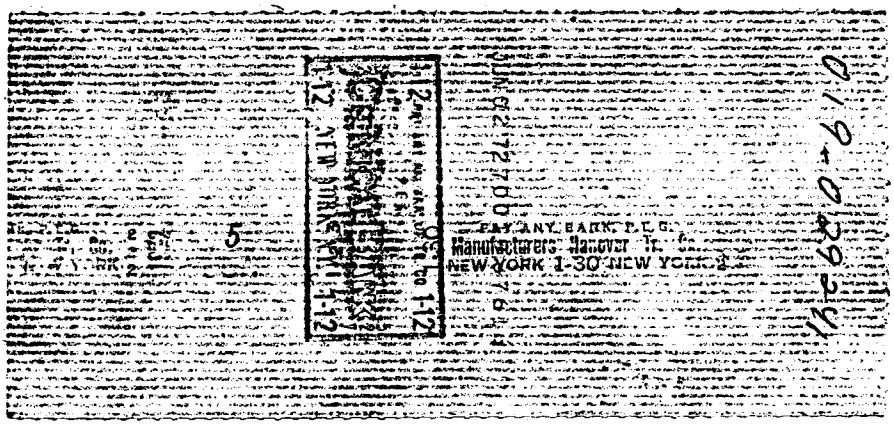
PAY TO THE ORDER OF Muskie Steering Committee $500.00

Five hundred and 00/100 DOLLARS

MANUFACTURERS HANOVER TRUST COMPANY
4TH. ST. at Madison Ave., N. Y. N.Y. 10017

FOR 1-30

:0210m0030:0131-0m23910m "00000500000"



PAY ANY BANK, P.L.G.
Manufacturers Hanover Tr. Co.
NEW YORK 1-30 NEW YORK

MUSKIE EXHIBIT NO. 7

AFFIDAVIT

I, STANLEY P. GOLDSTEIN, of Providence, Rhode Island, having been duly sworn on oath, depose and say that:

1. During the period from approximately December, 1971 to June, 1972, I worked as a volunteer at the Muskie Election Committee and among my duties in the spring of 1972, was the handling of payments to creditors of the Muskie Committee.

2. In the period of approximately eight (8) weeks in which I was handling creditors, I was involved with about two hundred (200) to three hundred (300) of them and spoke on the telephone with between fifty (50) to one hundred (100) representatives of such creditors, most, if not all, of whom were persons with whom I had no prior contact.

3. On November 26, 1973, I had a telephone conversation with Richard L. Schultz, Assistant Minority Counsel of the Select Committee on Presidential Campaign Activities, in which I stated that:

a. I worked as a volunteer for the Muskie Election Committee, and subsequent to Senator Muskie's withdrawal from active participation in the campaign, I coordinated and handled the payment of outstanding Muskie bills (April - May, 1972)

b. Although I was aware that there may have been outstanding car rental bills, I had no specific recollection with regard to the payment of any Hertz Rental Car bills in May of 1972.

c. I know Matthew Lifflander, but I have no specific recollection whether or not Matthew Lifflander had arranged for the payment of an outstanding Muskie bill for car rentals (Hertz).

d. I had no knowledge of any arrangement whereby contributions to the Muskie Campaign were received in an amount equal to outstanding bills and specifically, I had no knowledge of any such arrangement having been used in the payment of Hertz Rental car bills by the Muskie Campaign.

e. I had no knowledge of an individual by the name of Sol M. Edidin and stated at the time of my conversation with Mr. Schultz that I had never heard the name before.

4. Subsequent to my telephone conversation with Mr. Schultz, I called Matthew Lifflander and discussed with him the items I had discussed with Mr. Schultz in my telephone conversation with him. Mr. Lifflander refreshed my recollection of one or two telephone conversations with him in which he asked me either to call Mr. Edidin or to answer Mr. Edidin's telephone call, when next I received one from Mr. Edidin, since I had apparently not answered a number of calls from Mr. Edidin prior to that time. In response to my request to Mr. Lifflander to forward a copy of any correspondence that might be relevant, Mr. Lifflander sent me a copy of my letter to Mr. Edidin dated May 17, 1972, a copy of which is attached to this Affidavit. Although I do not have a clear recollection of talking with Mr. Edidin, it appears from this letter that I had a telephone conversation with him on May 17, 1972. I identify the signature on the letter

as my signature. My request to Mr. Edidin in my letter to him was prompted by the fact that Jim Johnson was a Muskie Campaign worker and that the charge properly should have been made to the Muskie Campaign Committee, rather than Johnson personally.

5. Except for the specifics set forth above, my recollection at this time is as it was on November 26, 1973, and I affirm the statements I made to Mr. Schultz on that date.

Stanley P. Goldstein

Subscribed and sworn to before me this 11th day of February, 1974.

Bentley Tobin
Notary Public

My comm. exp. 6/30/76

MUSKIE FOR PRESIDENT 1972
call (202) USA-1972 or write
1972 K Street NW, Washington, D.C. 20006

May 17, 1972

Hertz Corporation
660 Madison Avenue
New York, New York

Attention: Mr. Sol Edidan

Dear Mr. Edidan:

Per our conversation today, will you please charge the enclosed bill to the Muskie for President Committee and drop the charge against Jim Johnson. Thank you.

Sincerely,

Stanley Goldstein

Enclosure (1)

33-650 1185

printed on 100% recycled paper...to protect our environment

MUSKIE EXHIBIT NO. 8

Hertz

NOV 29 1971

erald Shapiro
cutive Vice President

THE HERTZ CORPORATION
660 Madison Avenue, New York, NY 10021
Telephone 212 752-2000

November 24, 1971

Mr. Matthew L. Lifflander
295 Madison Avenue
New York, New York 10017

Dear Matt:

Attached is a signed copy of your proposal of November 11, 1971. It sums up pretty well, I think, our conversation and our agreed upon objectives.

To start things going, I suggest that we plan on a meeting with Mudgett, Olson, and Moore to set the ground rules and to schedule whatever discussions you'll want with various people here at Hertz.

Very truly yours,

Jerry Shapiro

GS:bc
Enclosure
cc: Mr. L. Moore
Mr. F. Mudgett
Mr. F. Olson

MATTHEW L. LIFFLANDER
295 MADISON AVENUE
NEW YORK, N.Y. 10017

November 11, 1971

Mr. Gerald Shapiro
The Hertz Corporation
660 Madison Avenue
New York, New York

Dear Gerry:

This is to confirm our conversation of last week pursuant to which you agreed to retain me on behalf of Hertz to undertake an analysis of the franchise program of The Hertz Corporation and its subsidiaries.

I propose to analyze your existing franchise programs and related business activities, as well as ancillary programs that may offer developmental potential for the Hertz organization.

Upon completion of this analysis, I will provide you with detailed recommendations with respect to improving the total Hertz franchise program and the feasibility of developing additional franchise programs within the Hertz organization, including recommendations as to organizational structure and budgets.

I would propose to analyze the maximum franchise income potential for Hertz from the following specific categories of business:

a. Existing Hertz franchise programs.

b. Existing Hertz corporate businesses not presently franchised.

c. New businesses that Hertz has under consideration.

d. Other potential compatible businesses for Hertz to enter for the specific purpose of exploiting the franchise concept.

N.B.: Each of the above would be considered with a view toward domestic and international potential.

In addition to the subject of business potential, my proposed report to you would take into consideration the following aspects of the problem:

a. Use of the Hertz name, corporate image, advertising, etc.

b. Administrative costs, staff and budget.

c. Revenue potential including fee structure.

d. Relationship to existing field and corporate management.

e. Corporate objectives.

To complete the project successfully I will need the cooperation of certain Hertz executives for the purposes of interviewing, but generally speaking, this should not involve any unreasonable imposition on their time.

While no definite time limit has been set by us for completion of the project, I would expect that with reasonable cooperation, I should be able to complete the assignment within four months of your acceptance.

We have agreed on a fee of $5,000 for the entire project plus any out-of-pocket expenses incurred by me in connection with the completion of the project. Such expenses will require your prior approval, and I will be reimbursed monthly upon submission of your usual form of expense account. I suggest the fee be paid as follows, $1,500 on commencement of the work and the balance upon submission of my final report.

If the foregoing correctly sets forth our understanding, kindly execute the attached copy of this letter and return it to me, whereupon it will become a binding agreement between us.

Sincerely yours,

Matthew L. Lifflander

Accepted and agreed to this 24 day of Nov., 1971

THE HERTZ CORPORATION

Gerald Shapiro

Hertz

Fred A. Mudgett
Group Vice President

THE HERTZ CORPORATION
660 Madison Avenue, New York, NY 10021
Telephone 212 752-2000

August 20, 1971

Mr. Matthew L. Lifflander
WEISS BRONSTON ROSENTHAL HELLER & SCHWARTZMAN
295 Madison Avenue
New York, New York 10017

Dear Matt:

Thanks for your letter of August 16th.

I will discuss the proposal in more detail with Jerry Shapiro and Bob Smalley within the next couple of weeks, and be back in touch with you.

Cordially yours,

FAM:kmm
cc: G. Shapiro
R. Smalley

August 16, 1971

Mr. Fred A. Mudgett
The Hertz Corporation
660 Madison Avenue
New York, New York

Dear Fred:

This is further to our conversation about the possibility of creating a new franchising profit center for Hertz.

To facilitate your decision, I thought it might be helpful if I put forth this very brief outline of what I believe ought to be done in order to evaluate the potential opportunities and problems.

Basically, I believe that Hertz could generate considerable new profits through a variety of applications of the franchise concept. However, any such new program could also generate considerable new problems. To determine if such a program should be implemented, it must first be carefully planned and evaluated in light of the whole corporate picture. Then, the necessary commitments and corporate policy decisions can be made.

I would be pleased to undertake the responsibility for developing a feasibility study and fully detailed plan, and analysis of viability. Except for the provision of certain critical data by your people, which I would need for input, I would be able to work independently. The advantage of this approach would be to eliminate any exceptional drain on your resources and provide maximum

objectivity. It would also provide security against bias from those who careers would be affected.

I would propose to analyze the maximum franchise income potential for Hertz from the following specific categories of business:

a. Existing Hertz franchise programs.

b. Existing Hertz corporate businesses not presently franchised.

c. New businesses that Hertz has under consideration.

d. Other potential compatible businesses for Hertz to enter for the specific purpose of exploiting the franchise concept.

N.B. Each of the above would be considered with a view toward domestic and international potential.

In addition to the subject of business potential, my proposed report to you would take into consideration the following aspects of the problem:

a. Use of the Hertz name, corporate image, advertising, etc.

b. Administrative costs, staff and budget.

c. Revenue potential including fee structure.

d. Relationship to existing field and corporate management.

e. Corporate objectives.

The underlying premise is that the Hertz name is so well established throughout the world that franchising can lead to greater

profits without detriment to the name if the franchise programs are properly conceived. Such programs would be preferable if they enhance the corporation's existing lines of business. As the Hertz franchises of the 1920's and 30's created the basis for corporate development of the 50's and 60's, the pattern could be repeated again in the future.

So many of the corporate giants of America have been built on the franchising concept that the Hertz experience is not unique. General Motors, Standard Oil, CocaCola, Howard Johnson's are just a few examples.

Because of my background with Hertz and in the franchise industry, I feel specially qualified to take on this project. With appropriate cooperation from the Hertz people that would be involved, I would expect to be able to make a detailed presentation to you by year end.

I believe that a fee of $5,000 would be fair and would enable me to commit the time necessary to develop the project in full detail.

I look forward to discussing this with you at your earliest convenience.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander

MLL:hc

MUSKIE EXHIBIT NO. 8-A

October 9, 1972

The Hertz Corporation
660 Madison Avenue
New York, New York

As per agreement - balance due
on franchise study $3,500.00

Matthew L. Lifflander

October 9, 1972

Mr. Gerald Shapiro
The Hertz Corporation
660 Madison Avenue
New York, New York

Dear Gerry:

I am pleased to enclose the franchise study that you ordered some time ago. I think it goes considerably beyond the scope of our original understanding and that is because I did it with some enthusiasm.

Some of the conclusions contained here will obviously require discussion with the various corporate officers involved, and I will be available to participate as you see fit. If my recommendations are implemented, there will be a considerable amount of work necessary, and I would be pleased to be of further assistance in that regard should you desire.

My suggestion would be that after you and whichever of your colleagues are involved have had the opportunity to digest this, we should have a general debriefing session so that the right decisions can be made.

I am naturally eager to get your own reaction to the work and look forward to hearing from you. Meanwhile, I enclose my bill for the balance of my fee.

Sincerely yours,

Matthew L. Lifflander

MLL:hc

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed	Reference	Net Amount	Reference Number
	SEE ATT	3,500.00	10-1017-97594
	TOTAL	3,500.00 *	

401 (3/72) DETACH BEFORE DEPOSITING CHECK

Hertz

Gerald Shapiro
President

THE HERTZ CORPORATION
660 Madison Avenue, New York, NY 10021
Telephone 212 752-2000

October 18, 1972

Mr. Matthew Lifflander
295 Madison Avenue
New York, New York 10017

Dear Mr. Lifflander:

Enclosed please find Check No. 10-1017-97594 in the amount of $3,500.00.

This covers the balance on the fee for the franchise study.

Very truly yours,

Betty Cuddy

(Mrs.) Betty Cuddy
Secretary to Gerald Shapiro

/enc.

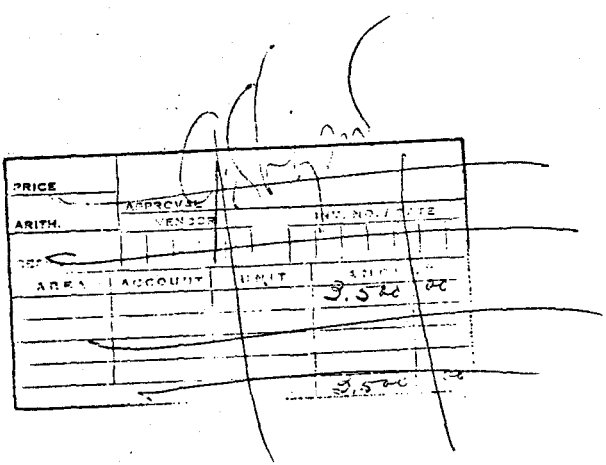
MATTHEW L. LIFFLANDER
295 MADISON AVENUE
NEW YORK, N.Y. 10017

October 9, 1972

The Hertz Corporation
660 Madison Avenue
New York, New York

As per agreement - balance due
on franchise study $3,500.00

Matthew L. Lifflander



THE HERTZ CORPORATION

CHECK REQUEST

PLACE RETURN STICKER HERE

FOR CENTRAL OFFICE USE ONLY

NAME: MATTHEW L LIFFLANDER

STREET ADDRESS: 295 MADISON AVE

CITY & STATE: NEW YORK NY 10017

PARTICULARS: (To be forwarded with check)

Franchise Study

VENDOR NO.: 7119 REF. NO.: SLNFT

NATURE OF EXPENDITURE: (Not to appear on check)

Balance due as per agreement on franchise study

AREA NUMBER	ACCOUNT	UNIT NUMBER	AMOUNT
0090	2152		3,500 00
		AMOUNT OF CHECK	3,500 00

REQUESTED BY G. Shapiro DATE 10/10/72

APPROVED BY [signature] DATE

DELIVER CHECK TO G. Shapiro

DATE CHECK REQUIRED

1452/44

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed	Reference	Net Amount	Reference Number
	SEE ATT	3,500.00	10-1017-97594
CORPORATE DIVISION ACCOUNTS PAYABLE DEPT.			
	TOTAL	3,500.00 *	

401 (3/72) DETACH BEFORE DEPOSITING CHECK

THE HERTZ CORPORATION
660 Madison Avenue
New York, N.Y. 10021
GENERAL–DISBURSING ACCOUNT

Hertz

2-1
710

CHECK No. 125057

To FIRST NATIONAL BANK OF CHICAGO, ILLINOIS

REFERENCE NUMBER	PAY TO THE ORDER OF		AMOUNT
10-1017-97594	MATTHEW L LIFFLANDER 295 MADISON AVE NEW YORK NY 10017	THE HERTZ CORPORATION	$*3,500.00*

DUPLICATE - NON NEGOTIABLE

33-650 1200

C1

MUSKIE EXHIBIT NO. 8-B

MEMORANDUM

RE: The Hertz Corporation - Franchise project

FROM: Mr. Matthew L. Lifflander DATE:

TO: File

I spoke to Sol Edidin about the franchise project and he suggested that he would be appreciative if I included an analysis of the existing franchise contracts and a survey of the new franchise laws as part of my report.

I told Sol that I agreed that this would be useful and timely in connection with the over-all project that I was doing, but that my original scope of work agreement did not contemplate this, and I would require an additional fee of $1500 to do this job properly which Sol agreed to.

MLL:hc

May 18, 1972

Sol M. Edidin, Esq.
The Hertz Corporation
660 Madison Avenue
New York, New York

Dear Sol:

Enclosed is my bill for the legal services rendered to date with respect to the franchise program and in accordance with our agreement.

Please make the check payable to me directly.

With all good wishes, I am

Sincerely yours,

Matthew L. Lifflander

MLL:hc

May 18, 1972

The Hertz Corporation
660 Madison Avenue
New York, New York

For professional services during first quarter 1972, re study and analysis of Hertz domestic and international franchise agreements, including conferences with Mr. Edidin and staff

.....$1,500.00

Matthew L. Lifflander

December 28, 1971

Mr. Gerald Shapiro
The Hertz Corporation
660 Madison Avenue
New York, New York 10021

Dear Gerry:

Per our conversation. Many thanks if you can get it to me before year-end.

With all good wishes for a Happy New Year, I am

Sincerely yours,

Matthew L. Lifflander

MLL:hc

December 28, 1971

The Hertz Corporation
660 Madison Avenue
New York, New York

Attention: Mr. Gerald Shapiro

Professional services pursuant
to our agreement of November 11,
1971 .....$1,500.00

THE HERTZ CORPORATION 660 Madison Avenue, New York, N.Y. 10021 In Case of Error Return All Enclosures for Correction

Cash Discounts Allowed Have Been Deducted from the Amount of Each Item Listed	Reference	Net Amount	Check Number
	Dec 28	1,500.00	12-1231-97560

11U44U

2/70 DETACH BEFORE DEPOSITING CHECK

MUSKIE EXHIBIT NO. 9

AFFIDAVIT

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

I, Gerald Shapiro, being duly sworn, depose and say:

1. I am the President of Carl Ally,Inc., an advertising agency, of 437 Madison Avenue, New York, New York 10022.

2. During the period between June of 1964 and May of 1973 I was employed by the Hertz Corporation, and held the following positions: From December 1971 to May 1973 President; from August 1968 to December 1971 Executive Vice President; from April 1966 to August 1968 General Manager, Rent A Car Division; and from June 1964 to April 1966 Vice President Marketing.

3. I have no knowledge of any arrangements to provide free rental cars for the Muskie organization's presidential campaign activities during 1971 or 1972.

4. I did engage Matthew Liffander to prepare a general business report on franchising for the Hertz Corporation. The report was of a general nature and represented an attempt to explore the possibilities of expanding the activities of Hertz in the area of franchising. Payment for the report was authorized by me and to the best of my recollection totaled $5,000 (of which I believe one-third was paid in advance and two-thirds paid upon

completion). No additional payments beyond this agreed upon amount were authorized by me for this report and in my opinion it would have been unusual for anyone else to authorize such additional payments.

Gerald Shapiro

Sworn to before me this

26 day of December, 1973.

Notary Public

JOHN De ANGELIS
NOTARY PUBLIC, State of New York
No. 03-0820525
Qualified in Westchester County
Commission Expires March 30, 1975

SUPPLEMENTAL WATERGATE AFFIDAVITS

UNITED STATES DEPARTMENT OF JUSTICE

OFFICE OF THE UNITED STATES ATTORNEY

WASHINGTON, D.C. 20001

ADDRESS ALL MAIL TO:
UNITED STATES ATTORNEY
ROOM 3136-C
UNITED STATES COURT HOUSE BUILDING
3RD AND CONSTITUTION AVENUE NW.

March 29, 1974

IN REPLY, PLEASE REFER TO INITIALS AND NUMBER
EJS/eh/mm

The Honorable Samuel Dash
Chief Senate and Staff Director
Senate Select Committee on
Presidential Campaign Activities
1418 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Dash:

At our meeting in your office on Monday, November 19, 1973, Seymour Glanzer and I expressed our concern that because all the facts had not been developed, certain limited portions of the record of the hearings held by the Senate Select Committee on Presidential Campaign Activities could be construed to reflect unfavorably on the investigation into the so-called Watergate incident conducted by the United States Attorney's Office for the District of Columbia, specifically by Mr. Donald E. Campbell, Seymour Glanzer, and myself. It would be particularly unfair, we stated, if these potentially unfavorable inferences were allowed to appear in the Committee Report since at no time had any member of the Senate Select Committee or its staff ever contacted us to determine the accuracy of these limited portions of the record. I refer specifically to portions of the testimony of Hugh Sloan and Donald Segretti and to the taking of sworn depositions of Maurice Stans and

certain White House staff members at the Department of Justice and then submitting them to the grand jury.

In response, you told us, as you had on a number of prior occasions, that it was neither within the mandate of the Select Committee nor its intention to review or evaluate the investigation we had conducted. Consequently, you expressed the view that the report of the Committee would not reflect unfavorably upon us. You also assured us once again as you have in the past of your confidence in our integrity and competency and that of the investigation we conducted. Nevertheless, you thoughtfully suggested submission of an affidavit to the Committee for insertion into the record which would clarify the record and remove the possibility of distortion in these limited instances.

We have adopted your suggestion and are submitting the enclosed affidavit which we respectfully request be made a part of the record of the Committee's hearings together with this letter.

We recognize that a response to specific testimony or portions of the record may not suffice to dispel misconceptions concerning the nature, vigor, and diligence of our investigation. The "best evidence" of the nature and quality of our investigation would be (1) the transcripts of the grand jury proceedings conducted prior to the return of the September 15, 1972, indictment and after the sentencing on March 23, 1973, (2) our prosecutive memorandum dated September 13, 1972 to Mr. Henry Petersen and (3) our 87 page status report dated June 7, 1973, to Special Prosecutor Archibald Cox which summarized the investigation up to that date. As we stated in a pleading filed before Chief Judge Sirica on February 14, 1973,

concerning the release of the grand jury testimony to the Senate Select Committee, we favor the release of this evidence "because of the unique nature of the case," and "so that the nature of the investigation, previously disclosed only through the necessarily limited forum of a jury trial, will be subject to scrutiny and thereby aid the ends of justice, ..." The Federal Rules of Criminal Procedure, the policy of the Department of Justice, and the preferences of the Special Prosecutor, however, have precluded their public disclosure.

As a result, the public record of the accomplishments of our investigation is both meager and distorted. The record does show that the original seven Watergate defendants insisted on maintaining a strict silence despite repeated attempts to obtain their cooperation. It shows that we planned to compel their testimony before a grand jury as to the involvement of others by granting them limited immunity after they were convicted. (See trial transcript, pp. 93-94, 116-17) It was the reconvening of the grand jury after the conviction of the "Watergate Seven" that was critical in prompting John Dean, Jeb Magruder and their counsel to disclose to the prosecution in April, 1973, for the first time the existence of a massive conspiracy to obstruct justice, its participants, and the motivations of those involved.

The results of this breakthrough - the agreement of Jeb Magruder and offer of Fred LaRue to plead guilty after evidence of their guilt had been developed, the formulation of a comprehensive prosecutive theory, the development of a tactical and strategic approach to the further development of the case, the discovery and disclosure of the Ellsberg burglary and its relationship to the Watergate coverup, the disclosure of the transfer from the White House and Committee for the Reelection of the President, hereinafter referred to as CRP, of enormous sums of cash to the Watergate Seven and of post-Watergate arrest communications with the Central Intelligence Agency - these and other accomplishments of our investigation are not part of the public record. Moreover, the guilty plea of John Dean, a disposition similar to that we offered him on

May 22, 1973, and to which he referred at the time he entered his guilty plea, the plea of Herbert Porter to false statements, and the indictment of Egil Krogh and the current indictments of others for perjury or false declarations based on our examination of them during the grand jury investigation we conducted should dispel any notion that we were not asking the "right" questions.

As you know, consistent with our professional obligations, we stood ready at all times to provide the Committee with any needed factual information. We wanted the Senate Committee to be in a position to more fully appreciate that the investigation of this case as well as other aspects of the prosecution's handling of this case were conducted professionally, fairly, honestly, and competently.

Finally, as we told you shortly after your selection as Chief Counsel, and as we related to you at our meeting on November 19, 1973, if Chairman Ervin, Vice Chairman Baker, or any other member of the Select Committee or the staff, have any questions concerning the investigation we conducted, we will be happy to answer them in whatever forum they deem most appropriate.

Sincerely,

Earl J. Silbert

EARL J. SILBERT
United States Attorney

Enclosure

cc: Fred D. Thompson
Minority Counsel
Select Committee on
Presidential Campaign
Activities

AFFIDAVIT OF EARL J. SILBERT

District of Columbia) ss.

Earl J. Silbert, being first duly sworn, deposes and says:

1. During the two year period from January, 1972, to January, 1974, I was Principal Assistant United States Attorney for the District of Columbia.

2. From on or about June 17, 1972, and continuing through June, 1973, I was in charge of the investigation conducted by the Office of the United States Attorney into the so-called Watergate break-in and arrest of five persons on June 17, 1972, inside the offices and headquarters of the Democratic National Committee located at 2600 Virginia Avenue, N.W., Washington, D.C. Donald E. Campbell and Seymour Glanzer, both Assistant United States Attorneys for the District of Columbia, participated with me in this investigation. The investigation was conducted in conjunction with the Federal Bureau of Investigation (hereinafter referred to as FBI) and with a grand jury of the United States District Court for the District of Columbia impaneled on or about June 5, 1972.

3. The purpose of this joing investigation into the so-called Watergate break-in and arrest was to determine whether violations of 18 U.S.C. §§ 371, 2511, and 22 D.C. Code § 1801(b), and of other statutes of the United States and of the District of Columbia, had been committed in the District of Columbia and elsewhere, and to identify the individuals who had committed, caused the commission of, or conspired to commit such violations.

4. The grand jury began its investigation on or about June 23, 1972, and returned an indictment in Criminal Case No. 1827-72 on September 15, 1972. Named as defendants in this indictment, which alleged violations of conspiracy, burglary, unlawful wiretapping and related offenses, were George Gordon Liddy, Everette Howard Hunt, Jr., James W. McCord, Jr., Bernard L. Barker, Eugenio R. Martinez, Frank A. Sturgis, and Virgilio R. Gonzalez.

5. The trial of these seven defendants began on January 8, 1973, before the Honorable John J. Sirica, Chief Judge of the United States District Court for the District of Columbia. Mr. Campbell, Mr. Glanzer, and myself were the prosecutors, representing the United States of America. On January 11, 1973, E. Howard Hunt entered a plea of guilty in this case. On January 15, 1973, Bernard L. Barker, Eugenio R. Martinez, Frank A. Sturgis, and Virgilio R. Gonzalez entered pleas of guilty. The trial of G. Gordon Liddy and James W. McCord, Jr. continued until January 30, 1973, when a jury found them guilty of all the counts charged in the indictment.

6. On May 17, 1973, public hearings of the Senate Select Committee on Presidential Campaign Activities began. Certain limited portions of the record of these hearings could be construed to reflect unfavorably on the investigation into the so-called Watergate incident conducted by the United States Attorney's Office for the District of Columbia, specifically by Mr. Campbell, Mr. Glanzer, and myself. At no time have we or any other member of this office been contacted to determine the accuracy of these portions of the

record. The purpose of this affidavit, therefore, is to set forth the facts as they occurred.

7. During his appearance before the Senate Select Committee, Hugh W. Sloan, Jr., Treasurer of the Finance Committee to Re-Elect the President, testified that he informed the three prosecutors that Jeb Magruder, while insisting that the amount of money disbursed to Liddy was only $45,000 or $70,000, suggested that he Sloan might have to consider perjuring himself. (Senate Hearings, pp. 1245-46, 1270, 1279-81, 1305-06.) As Sloan testified, this aspect of his testimony was explored by the prosecutors at great length before the grand jury. (Senate Hearings, pp. 1270, 1306.)

The question arose during his testimony, however, whether the prosecutors pursued this matter with Jeb Magruder (Senate Hearings, p. 1281). The answer is that we did, in detail, as Mr. Magruder acknowledged when he subsequently testified before the Select Committee (Senate Hearings, p. 2090).

Moreover, Mr. Sloan did not allege to us, as he did before the Senate, that Jeb Magruder specifically suggested he commit perjury. Instead he told us that Mr. Magruder asked him whether the amount he disbursed to Mr. Liddy was first $70,000, then $45,000. After thinking it over, Mr. Sloan stated that he told Mr. Magruder that if asked whether the figure was $45,000, he would say yes, but if asked whether the figure was higher, he would also say yes, would testify what the precise figure was, and would not consider perjuring himself.

Despite this somewhat unusual response, Mr. Magruder was confronted with this testimony of Mr. Sloan. Indeed, it was primarily on the basis of Mr. Sloan's testimony and the fact that as Mr. Liddy's superior Mr. Magruder was the obvious next rung up on the conspiratorial ladder if it went higher than Liddy (we had no hard evidence at that time that it did), that we advised Mr. Magruder of his Constitutional rights under the Fifth and Sixth Amendments, when he testified before the grand jury on August 16, 1972, warnings that are usually given targets or subjects of a grand jury investigation. As he did before the Select Committee, (Senate Hearings, pp. 1916-17, 1967), Mr. Magruder denied that he tried to suborn perjury by Sloan on the amount of money he disbursed to Liddy. He insisted that he and Mr. Sloan did not get along, that he was only trying to find out the size of the disbursement which Sloan refused to tell him, that he had forgotten the amount, but accepted the figure of $199,000 which Sloan ultimately did give him, though in his view it was higher than it should have been. Significantly, though by his recent plea of guilty in connection with the Watergate break-in and coverup and his testimony before the Senate Select Committee, Mr. Magruder admitted giving false testimony before the grand jury and at the trial (Senate Hearings, pp. 1922, 1928, 2052), Mr. Magruder repeated his denial of trying to suborn perjury by Sloan (Senate Hearings, p. 1967). This is so even though he told the Select Committee, but did not inform us, that he suggested to Sloan that Sloan might have to commit perjury to protect himself from liability. (Senate Hearings, p. 1916).

Mr. Sloan was also asked during his testimony before the Select Committee whether questions relating to this matter were asked him by the prosecutors during the trial (Senate Hearings, pp. 1306, 1358). So was Magruder (Senate Hearings, p. 1967). They both correctly answered no. Any such questions by the prosecutors at the trial, as contrasted to inquiry before the investigating grand jury, would have been impermissible and improper because they would be immaterial and irrelevant to the guilt or innocence of the defendants on trial on the charges set forth in the indictments. It is hornbook law that the lawyer offering a witness cannot challenge his credibility absent special circumstances not applicable to this situation. Furthermore, the grand jury testimony of both Mr. Sloan and Mr. Magruder - which contained their contradictory versions of this episode - was turned over by the prosecutors to the defense counsel before Sloan and Magruder testified and was available to the court. The defense counsel chose not to use it on cross-examination.

Both before the Select Committee (Senate Hearings, pp. 1235-36, 1325) and at the trial in response to a question of Chief Judge Sirica outside the presence of the jury, (Trial Transcript, p. 1462), Mr. Sloan testified that when Mr. Liddy informed him of his authorization for $250,000, he verified the authorization with former Secretary of Commerce Maurice Stans who in turn verified it with the Campaign Director John Mitchell. Since this was the only time during the trial that the names of these controversial public figures, particularly Mr. Mitchell's were mentioned, the question has arisen why this information was not brought out by the prosecutors.

We did not bring out this information because apart from the hearsay nature of at least part of this response and at best its remote relevance to the guilt or innocence of Liddy or McCord, this answer of Sloan at trial was inconsistent with what we had previously been told by a number of witnesses, including Sloan himself, when we explored this matter during the grand jury investigation. During the investigation Sloan stated that he discussed the matter with Magruder and Stans, and Stans said Magruder's authorization was good enough for him. Sloan never mentioned any verification with Mitchell. Secretary Stans went further: he stated that he knew vaguely that Liddy was working on security for the San Diego convention and that the one time Sloan asked him about a disbursement to Liddy, he told him to check with Jeb Magruder because it was his responsibility. These statements were corroborated by Magruder who took sole responsibility for the Liddy authorization, stating that Mitchell had only general information that Liddy was attending to convention security. Mr. Mitchell's account during the initial grand jury investigation was to the same effect - he did not, prior to June 17, know of the $250,000 authorization.

Thus we had thoroughly explored the responsibility for the Liddy $250,000 authorization with the appropriate persons in the appropriate forum - the grand jury investigation.

8. In Donald Segretti's testimony before the Senate Select Committee, certain questions addressed to him and his responses to those questions give rise to a possible inference that we improperly did not pursue with him before the grand jury possible criminal violations of the election campaign laws, arising out of his political spying activities, activities wholly unrelated to the Watergate break-in and bugging. (Senate Hearings, pp. 8259-8364, 8369-8370). This inference is completely unwarranted for the reasons set forth below.

As Mr. Segretti himself acknowledged, our "questions . . . relating to the Watergate burglary and wiretap were full and complete." (Senate Hearings, p. 8360). It was Watergate that was our responsibility and the grand jury's. Moreover, at the time we interviewed Mr. Segretti on August 22, 1972, prior to his appearance that same day before the grand jury, accusations had already been made that the investigation was being purposefully delayed to avoid embarrassing disclosures prior to the Presidential election in November. Indeed, throughout the investigation we were under enormous conflicting pressures to have the most exhaustive investigation possible in the shortest possible time. These time pressures, unrealistic as they were since investigations of the kind we were directing ordinarily require much more time than we had, mandated that we devote our efforts exclusively to the Watergate

burglary and bugging. This we did. Besides the constraints imposed on our investigation by the time pressures under which we were operating, investigations of possible campaign or election law violations are not handled by the United States Attorney's Office, but instead by the Department of Justice and a Special Unit within the Fraud Section of its Criminal Division. Thus whatever information relating to possible campaign or election law violations was incidentally uncovered by our investigation was transmitted to this Special Unit. In fact, all or nearly all of the evidence that provided the basis for the criminal informations filed against the Finance Committee to ReElect the President for violations of the Federal Election Campaign Act of 1971, came from our investigation.

When we questioned Mr. Segretti in my office prior to his grand jury appearance concerning his possible involvement in or knowledge of Watergate, we did learn from him of some of his political spying activities. These included asking embarrassing questions at press conferences, placing pickets of opposing candidates at Democratic rallies, supporting opposing Democrats, distributing leaflets or pamphlets, etc. None of these activities, based on what he told us in response to our questions, appeared to us to constitute criminal violations - as opposed to unethical conduct. Instead, as he suggested to the Select Committee, they appeared to be "prank-type activities." (Senate Hearings, p. 8364). I remember subsequently inquiring of Henry Petersen if he could see any criminal violation, advising him of my lack of expertise in this area. He said he could not. At no time prior to his indictment in Florida in May, 1973, were either Mr. Campbell, Mr. Glanzer, or myself aware of any unlawful activity on Mr. Segretti's part. None of

us, for example, knew of the scurrilous Florida letter concerning Senators Humphrey and Jackson, Mr. Segretti's participation in its distribution, or even of the investigation that was being conducted in Florida with respect to the letter.

Contrary to Mr. Segretti's testimony (Senate Hearings, p. 8364), we did ask him in our office how much he was paid, when, and by whom. He told us that Mr. Kalmbach had paid him about $46,000, and that all payments were completed by March, 1971. Since this was prior to the effective date of the Federal Election Campaign Act of 1971, it foreclosed the possibility of a violation of this Act. At no time, again contrary to Mr. Segretti's testimony (Senate Hearings, p. 8360) did either Mr. Campbell or myself, who interviewed Mr. Segretti, ever refer, directly or indirectly, to Mr. Kalmbach as "Mr. K." There was absolutely no reason for us to do this, particularly since Mr. Kalmbach's name had previously been referred to before the grand jury. It simply did not happen.

Because none of his non-Watergate activity appeared to involve criminal violations and because the grand jury was investigating only Watergate, we did not examine Mr. Segretti at length about his political spying activities before the grand jury. However, we immediately requested the FBI to interview Messrs. Chapin and Strachan of the White House staff, whom Mr. Segretti informed us had recruited him, and Mr. Kalmbach in California. The reports of these interviews were sent to the Special Election Law Unit in the Department of Justice. The possible inference drawn by some that we did not explore Mr. Segretti's spying activities before the grand jury because we wanted to conceal any involvement of Messrs. Kalmbach, Chapin, and

Strachan is nonsense. For during the entire investigation leading to the indictment on September 15, 1972, we knew of no leaks at all to the news media or the public from the grand jury. It was apparent to us, however, that serious leaks were coming from FBI. Thus, if concealment were our objective, we never would have requested the FBI to conduct the interviews. If anything, we would have put everything before the grand jury. We did not because it did not relate to the break-in and bugging.

9. During the Watergate grand jury investigation which resulted in the September 15, 1972, indictment, Maurice Stans and certain White House staff members, whose testimony was sought by the grand jury, were deposed at the Department of Justice and their depositions then read to the grand jury. In the course of the Senate Hearings, questions arose as to how and why this occurred. Set forth below is my knowledge of what happened:

On Friday, July 28, 1972, I directed the FBI to serve a grand jury subpoena upon Maurice Stans to appear before the grand jury the following Tuesday, August 1, 1972. That evening counsel for the Committee for the Reelection of the President, at an emergency meeting he requested, strongly objected to the proposed grand jury appearance of Mr. Stans, stating it would harm his fund raising efforts. At his request, we changed the date of his appearance to Wednesday, August 2, 1972, but explained he would have to appear.

After the meeting, Mr. Campbell, Mr. Glanzer, and I discussed the matter among ourselves. One aspect we discussed was the appropriateness of serving a subpoena on a

person such as Mr. Stans, a former cabinet officer, as opposed to inviting him to appear, a procedure ordinarily followed with Senators, Congressmen, and important public and private officials who upon invitation would be expected to appear. More importantly, we discussed the potentially harmful affect on our investigation by what would inevitably be a highly publicized appearance at the grand jury by a person as well known as Mr. Stans. The mounting publicity in this case, we were concerned, might hinder the investigation and would very likely provide the defendants with a basis for delaying the trial, a highly undesirable result in view of the enormous pressures on us to bring the case to trial as quickly as possible. We reviewed as precedent the case of United States v. Sweig, 441 F. 2d 114, 121, n.7 (2d Cir.), cert. denied, 403 U.S. 932 (1971) in which former Speaker John McCormack did not appear before the grand jury but was deposed in his own office during a criminal investigation which was focusing on members of his staff, once with his nephew present. We reached no final decision that evening.

During the weekend, I was informed by Henry Petersen that he had received a very strong complaint from John Ehrlichman of the White House about the potentially unfair and prejudicial publicity generated by appearances of White House staff members and former cabinet officers before the grand jury at the United States Courthouse.

After a meeting on Monday, July 31, 1972, of then Attorney General Richard Kleindeinst, Mr. Petersen, and myself in which this and other aspects of the Watergate case were discussed, it was subsequently agreed that well known persons such as Mr. Stans and White House staff members whose testimony was sought by the grand jury would be examined by an Assistant United States Attorney in the offices of Mr. Petersen at the Department of

Justice. It was agreed that this examination would be under conditions duplicating as nearly as possible examination before the grand jury: testimony under oath in question and answer form, in the presence only of an Assistant United States Attorney and a court reporter who would record the proceedings. The witness could be accompanied by counsel. As before a grand jury, however, counsel was not permitted to be present during the examination but instead would be available in a nearby room to confer with the witness if the latter so desired. After the examination, the transcript of the proceeding prepared by the court reporter would be submitted to the grand jury.

I informed the grand jury of this arrangement and that the testimony of these witnesses would be read to them in its entirety. I also advised the grand jury that if there were further questions they believed should be asked the witnesses, the witnesses could be further examined pursuant to the above-described arrangement or before the grand jury itself.

This procedure was followed for Mr. Stans and four members of the White House staff: Charles Colson, his secretary Joan Hall, David Young, and Egil Krogh. The transcripts of their depositions were read to the grand jury. The grand jurors neither requested that additional questions be asked of these witnesses or that they appear before them personally for further questioning.

Towards the end of August and early September, the plaintiffs in the civil suit of Democratic National Committee v. McCord, et al., Civil Action No. 1233-72, were taking depositions of well known persons such as Mr. Stans and

John Mitchell. These depositions were highly publicized and the deponents were contributing to the publicity by making statements to the press. In view of this publicity, our original goal of trying to minimize the publicity was no longer capable of achievement. Moreover, the witness could not justifiably complain of publicity when he was contributing to it. I therefore observed to Henry Petersen that those witnesses should not be excused from appearing before the grand jury. He agreed. The one well known public figure who remained to be questioned was the most controversial of all - John Mitchell. Nevertheless he appeared in person before the grand jury as did other persons who had been the subject of extensive publicity during the investigation such as Kenneth Dahlberg and Dwayne Andreas.

WASHINGTON :
: s.s.
DISTRICT OF COLUMBIA :

I HEREBY CERTIFY that on this 27th day of March, 1974, before me, the subscriber, a notary public in and for the District of Columbia, personally appeared Earl J. Silbert who made oath in due form of law that the matters and facts contained in the foregoing are true to the best of his knowledge and information and belief.

Witness my hand and notarial seal.

Notary Public

My Commission Expires:

2-28-1978

California Legislature

Assembly Rules Committee

ROOM 3016, STATE CAPITOL

FREDERICK J. TAUGHER
CHIEF ADMINISTRATIVE OFFICER

April 29, 1974

Mr. Samuel Dash
Chief Counsel & Staff Director
Select Committee on Presidential
Campaign Activities of the U.S. Senate
Senator Dirksen Office Building
Washington, D.C. 20554

Dear Mr. Dash:

Pursuant to Rule 26 of the Committee's Rules of Procedure, I offer the following sworn statement of facts:

I was employed as the Southern California Campaign Co-ordinator of the McGovern-Shriver Campaign until October 4, 1972, on which date I voluntarily resigned my position. Until the time of my resignation the campaign in California was operated by three autonomous committees (Northern California, Southern California, and San Diego), each having responsibility for the conduct of the campaign in designated territories. A short time prior to my resignation the national campaign organization appointed Charles Manatt to assume the new position of California Campaign Co-ordinator. Since he based his office in Los Angeles, we soon found out that many of his state-wide responsibilities and many of my campaign responsibilities for the 51% of the electorate who voted in the Southern California area unnecessarily over-lapped. Accordingly, I resigned.

In November, 1973, the committee took testimony from Michael Heller, a supporter of President Nixon, and from Paul Brindze, a former employee of the McGovern-Shriver campaign. Each of them described events which I personally find very reprehensible. Unfortunately, Mr. Brindze made some references to the campaign management in Los Angeles without always signifying by name the person to whom he referred. Since I was identified in my prior testimony before the committee as the Southern California Co-ordinator, I want to be sure that no one presume that I still held that

position at the time of the events described by Mr. Brindze.

He, for instance, stated he had been given orders after the Century Plaza demonstration (which I described in my testimony) which prohibited the campaign personnel from participating in demonstrations. This certainly is contrary to the views I expressed in my own testimony. I have no reason to believe that he did not get such instructions; I'm simply saying that such instructions must have been given after my resignation. Further, Mr. Brindze describes an episode wherein the campaign management encouraged him to have a 16-year-old boy "take the rap" for his admitted error in judgement. Again -- this occured after I left the campaign. Finally, I have never seen the literature described by Mr. Heller and Mr. Brindze and certainly never authorized its reproduction.

While I was Southern California Co-ordinator of the McGovern-Shriver Campaign I had the pleasure of working with hundreds of capable and well-intentioned people. Mr. Brindze was one of them. I regret that he was given instructions, by persons who assumed authority after I left the campaign, which violated his principals and the principals of our candidate. I hope this affidavit makes it clear that I was not involved in or responsible for those instructions.

The above statement is true and correct to the best of my knowledge.

FREDERICK J. TAUGHER

STATE OF CALIFORNIA,
County of Sacramento } ss.

On this 30th day of April in the year one thousand nine hundred and Seventy-Four before me, Ann Chaffin, a Notary Public, State of California, duly commissioned and sworn, personally appeared Frederick J. Taugher

known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Sacramento the day and year in this certificate first above written.

Notary Public, State of California. My Commission Expires Sept. 21, 1975

Cowdery's Form No. 34—(Acknowledgment—General) (C. C. Sec. 1189) (PRINTED 1/19/66) 61-0420

STATE OF VIRGINIA)
)ss.
COUNTY OF FAIRFAX)

AFFIDAVIT

I, Bernard Mathis Malloy, being first duly sworn, depose and say:

1. I was born on 2 September 1928, was graduated from Lambuth College, Jackson, Tennessee, and Vanderbilt University School of Medicine, Nashville, Tennessee, and have been employed by the Central Intelligence Agency since November 1958. I have been in the Psychiatric Staff of the Office of Medical Services of the Agency since that time.

2. In the summer of 1971 the Medical Office was approached by the Director of Security concerning the preparation of a psychiatric profile study on Daniel Ellsberg, who had been accused of leaking the Pentagon papers. To the best of my recollection, it was my understanding from the Director of Medical Services that the DCI was knowledgeable and had approved the Director of Security's visit and the request that was being made of the Medical Office. There was general reservation and concern expressed about such an effort involving as it did potentially controversial and highly speculative efforts. It was felt that such activity, involving as this did an American citizen, might be outside of the Agency's purview. It was recognized that such efforts, while desirable in some quarters, could be misunderstood, misinterpreted, and mistakenly considered to have been derived from the doctor-patient therapeutic relationship which was in fact far from the case. An initial effort was prepared by Dr. Jerrold Post under the direction of myself based upon a review of magazine and newspaper articles containing biographical data about Ellsberg, as well as some FBI documents consisting of interview reports by informants about Ellsberg.

3. 12 August 1971, on instructions from the Director of Medical Services, the writer met with Mr. David Young, Room 16, Executive Office Building, to discuss the matter of a psychiatric write-up on the case of Daniel Ellsberg. Mr. Young, at the time the appointment was made, had stated that there was more information which he wished to discuss. The meeting lasted for approximately an hour and Mr. Young was joined by a Mr. Linney (probably Liddy), who seemed to be an assistant. Mr. Young stated that the Ellsberg study had the highest priority and had been requested by Mr. Ehrlichman and Dr. Kissinger. Mr. Young also stated that the President had been informed of this study. He stated that it was a multi-faceted approach and the psychiatric report would be only one facet. He stated that he understood that the Agency was uneasy about undertaking such a study and assured me that there had been no delineation as to how information derived from the study would be utilized, and if there were any utilization that great care would be given to make it nonattributable to the Agency. Mr. Young was interested in knowing what kind of data would be needed in order to provide further study of the sort done "on Fidel Castro." Later on Mr. Howard Hunt joined the group. Mr. Hunt recognized me, being a former Agency employee, and we greeted cordially. Mr. Hunt amplified on Mr. Young's comments and stated it was his wish to "try Dr. Ellsberg in public." Other comments were made by Mr. Hunt or "Mr. Linney" to the effect that the aim would be to render Dr. Ellsberg ineffective or to make him the object of pity as a broken man. Mr. Hunt stated that he wished to see data of the sort that "psychiatrists found on about Barry Goldwater in 1964," and he expressed interest in being able to refer in a knowledgeable way to Dr. Ellsberg's oedipal conflicts or castration fears and other similar points.

4. It seemed from Mr. Young and "Mr. Linney" that there was considerable concern that Dr. Ellsberg had a great deal more sensitive information which it was feared he would from time to time periodically expose. "Mr. Linney" stated that Dr. Ellsberg thought of himself as "having the white hat and the President as having the black hat."

5. A discussion was held with the group concerning the dangers of preparing such a study in isolation and without the opportunity for the free give and take discussions among experts, as had been the case in our other studies. I was informed that more biographic material was available. I was requested to give examples of the kind of information needed. I pointed out that insofar as possible, "although possibly not available," data from early life from nurses or close relatives would be useful. I agreed with "Mr. Linney" that school progress, including testing, would be helpful. In the same way, year books, his years in college and in the military, comments from friends would be helpful. Mr. Hunt also stated that it would be useful for Dr. Ellsberg's first wife to be interviewed and he felt, "You can easily arrange that under an operational alias." It was pointed out that the first Mrs. Ellsberg would be cooperative.

6. Information was also offered by Mr. Hunt or "Mr. Linney" to the effect that Dr. Ellsberg had been in analysis although times or location were not known for certain. "Mr. Linney" pointed out that after Dr. Ellsberg gave the Pentagon papers away, he telephoned his analyst stating, "Now I am free."

7. "Mr. Linney" and Mr. Young, with Mr. Hunt's assent, pointed out that the Ellsberg study was of the highest priority, even over the SALT negotiations. It was agreed that the further biographic information regarding Dr. Ellsberg would be sent to us and Mr. Hunt agreed to manage this. Mr. Hunt would also make arrangements whereby periodic conferences would be held as necessary. Mr. Hunt did, however, offer that he did not wish to come out to the Agency if he could avoid it.

8. At this point Mr. Hunt made some comments in the presence of the group based on his previous acquaintanceship with me and he remained behind and made some further comments expressing a desire that his presence and participation in the meeting not be mentioned at the Agency. After arriving back at the Agency I informed Mr. Hunt by telephone that it was not feasible for me to avoid reporting Mr. Hunt's presence at the meeting. Mr. Hunt expressed great regret that this was necessary, stating that he had adequate contact with General Cushman and was on good

[illegible] with the Director. He was reluctant at first to my statement that it was necessary to inform the Director of Medical Services. Mr. Hunt wished to know if this could be treated as confidential medical information, but could not tell the writer in what way. I discussed the entire situation--the dangers and the reservations and the gravity of the situation with the Deputy Chief, Psychiatric Staff, the Director and Deputy Director of Medical Services.

9. On 13 August 1971, additional information was received from the White House. To the best of my knowledge this was from Howard Hunt and consisted of poorly Xeroxed classified FBI reports and Department of State documents. This material provided additional data and on 20 August 1971 the Director of Medical Services and the writer met with the Deputy Director for Support concerning the White House request in the Ellsberg case and the continuing pressure and desire for a psychiatri study. The problems associated with developing the study and our continuing reservations were discussed in detail. In view of Mr. Hunt's enthusiasm, concerns existed about the checks and balances to actions based on a study if one were to be undertaken. To the best of my recall the Deputy Director for Support was in agreement with us. While the additional information furnished further suggested that Ellsberg was under emotional pressure it was not possible to arrive at any firm conclusions or comprehensive understanding of the man's personality. The additional information indicated that:

a. He had revealed quasi-Secret information while still in the service when he was applying for a Ph.D. fellowship.

b. He had volunteered for Vietnamese service for the State Department in 1965 while under the stress of obtaining a divorce from his first wife.

c. He had sought psychoanalytic treatment between the fall of 1968 and 1970 with a psychoanalyst (who was determined to be professionally qualified and reputable) in California.

d. He may have been involved in leaking information about a South Vietnamese in 1970 while he was actually in psychoanalytic treatment.

To the best of my recollection it was agreed that the implications of the above data would be orally discussed by me with Mr. Hunt, Mr. Liddy and Mr. Young. It was also agreed that there would be the greatest reluctance to undertake any interview of the former Mrs. Ellsberg, and it was hoped that after this a written document would not be necessary.

10. The Deputy Director for Support considered advising the DCI, but it was decided that I would first visit Mr. Young and inform him that the additional material basically provided for no further understanding. It was hoped that this would put an end to the situation, but if further material was forwarded the matter would have to be dealt with at that time.

11. The Deputy Director for Support stated that after the meeti with Mr. Young, the DCI would be brought up to date.

12. Following the meeting on Friday, 20 August, and in accord with the discussions on that date, a call was placed on Monday, 23 August to Mr. David Young at the White House. Mr. Young was informed that we had received the material which had been forwarded and that we had considered it, and would be available to discuss the data further. Mr. Young stated that he would have Mr. Hunt call me. He stated that Mr. Hunt's office was elsewhere in the building and he did not have his number immediately available. As of 27 August 1971 Mr. Hunt had not called me.

13. On 30 September 1971, there is a yellow memorandum of a telephone call to me from David Young at the White House with the message that Mr. Hunt suggested meeting Wednesday, 27 October, at 11:00 a On 12 October 1971 I received some more data from Mr. Hunt at the White House.

and with Mr. Young at the Executive Office Building. The essence of the observations noted above in the 20 August 1971 discussions were orally presented. I was told to prepare the material in writing. On 3 November 1971 Mr. Liddy sent me further information on Ellsberg. On 1 November 1971 Mr. Young at the White House telephoned me requesting the report the following day and he was informed that the requested report was at that time in the hands of my supervisors for their evaluation. On 12 November 1971 the material was delivered by me to the White House and to Mr. Liddy, Mr. Young and Mr. Hunt. These men were interested in obtaining information which could be used to defame or manipulate Ellsberg. While it was never expressed, it was my impression that the material and information provided were not of direct interest or usefulness to Hunt, Liddy or Young.

Bernard Mathis Malloy

Bernard Mathis Malloy, M.D.

Subscribed and sworn to before me this 9th day of May, 1973.

Virginia C. Long

Notary Public

My Commission Expires August 11, 1975